

MINUTES

MEETING OF THE BOARD OF EXAMINERS

January 12, 2016

The Board of Examiners met on January 12, 2016, in The Guinn Room at the Capital Building, 101 N. Carson St., Carson City, Nevada, at 10:00 a.m. Present were:

Members:

Governor Brian Sandoval
Secretary of State Barbara Cegavske
Attorney General Adam Paul Laxalt, participated in Las Vegas
James R. Wells, Clerk

Others Present:

Dave Gibson, Department of Public Safety
Adele Basham, Department of Conservation & Natural Resources, Environmental Protection
Brett Kandt, Attorney General's Office – Board Counsel
Danette Kluever, Department of Health and Human Services, Child and Family Services
Jason Benshoof, Department of Health and Human Services, Child and Family Services
Jay Parmer, Logisticare Solutions, LLC
Jaynalynn Seley, Governor's Finance Office, Internal Audits
Catherine Brekken, Governor's Finance Office, Internal Audits
Justin Luna, Department of Public Safety, Emergency Management
Scott Anderson, Secretary of State Sue Smith, Department of Health and Human Services, Welfare and Social Services
Jaimarie Dagdagan, Legislative Council Bureau
Julie Waller, Legislative Council Bureau
Julie Butler, Department of Public Safety
Tammy Trio, Department of Public Safety, General Services
Erica Souza-Llamas, Department of Public Safety
Erin Russell, United Health Care
Kelly Simpson, United Health Care
Don Giancursio, United Health Care
Glen Stevens, United Health Care
Michele Walker, Department of Health and Human Services, Public and Behavioral Health
Sandra Chereb, Las Vegas Review Journal
Rick Felling, Department of Conservation & Natural Resources, Water Resources
Reid Kaiser, Department of Transportation
Jenni Eyerly, Department of Transportation
Mary Gore, Department of Transportation
Robert Nellis, Department of Transportation
Betsey Aiello, Department of Health and Human Services, Health Care, Finance and Policy
Keith Wells, Department of Administration, Fleet Services
Jim De Prosse, Department of Business and Industry, Manufactured Housing
Andre A. Allen, Department of Business and Industry

Lisa Figueroa, Department of Business and Industry
Steve Fisher, Department of Health and Human Services, Welfare and Supportive Services
Thomas Brundige, Department of Health and Human Services, Welfare and Supportive Services
Budd Milazzo, Department of Business and Industry
Liz Kingsland, Department of Conservation & Natural Resources, State Lands
Sheila Lambert, Department of Administration, Grants Office
Vita Ozoude, Governor's Finance Office, Internal Audits
Kathy Wynards, Department of Employment, Training and Rehabilitation
Scott Bensing, SB Strategy
Nova Murray, Department of Health and Human Services, Welfare and Social Services
Nicole Willis-Grimes, The Ferraro Group
Rod Smith, Board of Examiners for Social Workers
Terri Peltier, University of Reno
Kim Frakes, Board of Examiners for Social Workers
Jason Kink, Department of Transportation, State Engineer
Ted London, CGI
Lee-Ann Easton, Department of Administration, Human Resource Management
Natalie Wood, Department of Public Safety
Patrick Cates, Department of Administration
Scott Sisco, Department of Corrections
John Kucera, Department of Health and Human Resources, Health Care, Finance and Policy
Wayne Seidel, Department of Motor Vehicles
Heather Turbeville, Department of Administration, State Public Works
Leanne Lima, Department of Administration, State Public Works
Mindy Martini, Department of Education
Vickie Blakeney, Department of Education
Khadijeh Anooshehpour, Department of Education
Allyson Kellogg, Department of Education
Audra Blackwell, Department of Education
Kim Vidoni, Department of Education
Andy Jorgensen, Department of Education
Mike Malave, Department of Education
Michael Dahl, Controller's Office
Howard Bills, Controller's Office
Tracey Woops, Amerigroup
Bruce Lloyd, Amerigroup
James Smack, Controller's Office
Marta Jensen, Department of Health and Human Resources, Health Care, Finance and Policy
Sandie Ruybalid, Department of Health and Human Resources, Health Care, Finance and Policy
Todd Hartline, Department of Public Safety
Chrystal Main, Department of Health and Human Services
Jesse Wadhams, Fennemore Craig
Phil Stalboerger,
Laurie Olson, Department of Health and Human Services, Director's Office
Jeff Menicucci, Attorney General's Office
Jackie Muth, Department of Public Safety
E.K. McDaniel, Department of Corrections

Sheri Brueggemann, Department of Public Safety
Curtis Palmer, Department of Public Safety
Parker Stremmel, Ferrari Public Affairs
Beth Handler, Department of Health and Human Services, Public and Behavioral Health
Linda DeLoach, Department of Administration, Purchasing
Jeff Haag, Department of Administration, Purchasing
Ronda Miller, Department of Administration, Purchasing
Eric Johnson, Department of Conservation & Natural Resources, State Parks
Charles Donohue, Department of Conservation & Natural Resources, State Lands
Nancy Katafias, Attorney General's Office
Andrea Barraclough, Attorney General's Office
Charles Lehman, Attorney General's Office
Fred Voltz, Member of the Public
Celestena Glover, Public Employee Benefits Program
Megan Sloan, Public Employee Benefits Program
Damon Haycock, Public Employee Benefits Program
Ellen Crecelius, Department of Health and Human Services
Bonnie Long, Department of Health and Human Services, Health Care, Finance and Policy
Cody Phinney, Department of Health and Human Services, Public and Behavioral Health
Mike Sherlock, Peace Officers Standards and Training
Tim Bunting, Peace Officers Standards and Training
Matthew Kaplan, Department of Public Safety

Las Vegas

Kelly Wooldridge, Department of Health and Human Services, Child and Family Services
Brian Connett, Department of Corrections
Rick Passe, Department of Health and Human Services, Child and Family Services
Paul Ripple, Department of Health and Human Services, Public and Behavioral Health
Jan Rossenberg, Department of Business and Industry, Industrial Relations
Ellen Richardson-Adams, Department of Health & Human Services, Public & Behavioral Health
Robyn Fine, Department of Health and Human Services, Public and Behavioral Health
Ann McDermott, Attorney General's Office

1. PUBLIC COMMENTS

Comments:

Governor: Good morning ladies and gentlemen. Happy New Year. I will call the Board of Examiners Meeting to order. Mr. Attorney General, can you hear me loud and clear?

Attorney General: Loud and clear Governor, thanks.

Governor: Okay. We may have some technical difficulties here and we only have what I can see as one live microphone. We're going to probably have to move it back and forth unless, I'm going to leave it here for now and Mr. Attorney General, if you can't hear the testimony of the witnesses, then we'll move the microphone over there. I would ask anybody who is testifying to speak up so that we don't have to keep moving it back and forth. We'll move to Agenda item number 1, which is Public Comment. Is there any member of the public here in Carson City that would like to provide public comment to the Board? This is the highest attended Board Meeting of the Examiners that I have ever been to. Any public comment from Las Vegas?

Attorney General: None down here Governor.

*2. FOR POSSIBLE ACTION – APPROVAL OF THE DECEMBER 8, 2015 BOARD OF EXAMINERS' MEETING MINUTES

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We'll move then to agenda item number 2 which is, approval of the December 8, 2015 Board of Examiner Meeting Minutes. The Members should have received, I know I have three different versions. One is summarized minutes from the Director, a verbatim set of minutes and a summarized set of minutes. I've reviewed all of those. It's a little counterintuitive. I thought it would be easier to go away from the verbatim minutes, but based on the person who has to actually prepare them, it is actually easier to prepare the verbatim minutes. I'm okay with the verbatim minutes. I was actually trying to be helpful, in terms of going to something shorter, but I have no changes. I wanted to ask the opinion of the other Board Members if they have any preference between the verbatim minutes and the summarized minutes.

Secretary of State: I have none Governor, thank you.

Attorney General: No preference Governor, thanks.

Governor: Any changes then to the verbatim minutes.

Secretary of State: I had none.

Attorney General: No changes.

Governor: Mr. Wells, did I cover it? Was there anything else?

Clerk: That would be it Governor.

Governor: I guess, going forward and I don't think I need to take any formal action on this, we'll just ask that we have verbatim minutes as we proceed. Having said that, the Chair will accept a motion for approval of the December 8, 2015 Meeting minutes as present.

Secretary of State: So moved.

Attorney General: Second.

Governor: The Secretary of State has moved for approval. The Attorney General has seconded the motion. Any questions or discussion? All in favor—

Clerk: The Attorney General was absent.

Governor: Mr. Attorney General, I was just reminded that you were not present at the last meeting. So, I will have to second that motion. I'll second the motion. All in favor say aye. [ayes around] That motion passes 2-0 and we'll have the record reflect that the Attorney General has abstained. Is that appropriate Mr. Attorney General?

Attorney General: Yes sir, thanks.

***3. FOR POSSIBLE ACTION – APPROVAL TO ACCEPT A DONATION OF LAND**

A. Department of Conservation and Natural Resources – State Lands

Pursuant to NRS 353.335, the Department of Conservation and Natural Resources, Division of State Lands is requesting approval to accept a donation of land for the benefit of the Division of State Parks. **This item is contingent upon IFC approval.**

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State Seconded By: Attorney General Vote: 3-0

Comments:

Governor: Let's move on to agenda item number 3 which is, Approval to Accept a Donation of Land. Mr. Wells.

Clerk: Thank you Governor. Item number 3 is a request to approve the acceptance of a donation of land from the Nevada Land Trust, consisting of 45.5 acres in Ash Canyon in Carson City, which borders the Lake Tahoe Nevada State Park, Carson City Open Space Land and US Forest

and Service Land. The property will be managed as part of the Lake Tahoe Nevada State parks and final acceptance is subject to the approval of the Interim Finance Committee meeting in February. Members of State Lands and State Parks are available to answer any questions the Board may have.

Governor: Good morning gentlemen. If you would just identify yourselves for the record.

Charlie Donohue: Sure, Charlie Donohue, Administrator of the Division of State Lands.

Eric Johnson: Eric Johnson, Administrator of Nevada Division of State Parks.

Governor: If you could briefly tell us what we're getting here, it's a good thing. Please proceed.

Charlie Donohue: Sure, for the record, Charlie Donohue. The Nevada Land Trust approached the State wondering if we would be interested in accepting the 45 acre donation because it is contiguous with the State Park, as well it has rather unique riparian and wetland habitat. There's an intrinsic value, as the Budget Director, Jim Wells just reported. It is surrounded. It's an in-holding, it's surrounded by US Forest Service Lands, Park Lands as well as Carson City Open Space. The Nevada Land Trust received a grant from the National Fish and Wildlife Foundation to secure these lands. With that, any maintenance, I defer to Eric on the management activities.

Eric Johnson: I don't see any liabilities to the State or tremendous costs in the future associated with that property.

Governor: So what is the State Park Land that's adjacent to it?

Eric Johnson: It's the bluff, for lack of a better word that overlooks Hobart Reservoir. It's the last piece of that access to Hobart. It's very important for continued access to that body of water.

Governor: Will we—we because I love to go up there, but will there be an opportunity to actually use it? Will it have trails or will it just basically provide more of a—

Eric Johnson: It's currently in use now Governor. There's a road through that property. What this donation does or this transfer, it prevents the closure of that access because it is a private in-holding. It keeps it in public hands so that access will remain.

Governor: Any other questions from Board Members?

Secretary of State: No, I have none.

Governor: If there are no questions, the Chair will accept a motion to approve and accept the donation of land as described in agenda item number 3.

Secretary of State: I move for approval.

Attorney General: Second.

Governor: The Secretary of State has moved, the Attorney General has seconded the motion. Any questions or discussion? All in favor say aye. [ayes around] Motion passes 3-0. Thank you gentlemen.

Secretary of State: Thank you.

4. FOR POSSIBLE ACTION – STATE VEHICLE PURCHASES

Pursuant to NRS 334.010, no automobile may be purchased by any department, office, bureau, officer or employee of the state without prior written consent of the state Board of Examiners.

AGENCY NAME	# OF VEHICLES	NOT TO EXCEED:
Department of Administration – Fleet Services	1	\$28,650
Department of Conservation and Natural Resources – Environmental Protection – Air Quality	1	\$33,281
Department of Conservation and Natural Resources – Environmental Protection – Industrial Site Cleanup	1	\$32,290
Peace Officers’ Standards and Training Commission	1	\$8,636
Total	4	\$102,857

Clerk’s Recommendation: I recommend approval.

Motion By: Secretary of State Seconded By: Attorney General Vote: 3-0

Comments:

Governor: Let’s move to agenda item number 4, State Vehicle Purchases. Mr. Wells.

Clerk: Thank you Governor. Agenda item 4 includes a request for four vehicles. The last three of which are included in agency budgets for the current biennium. The first vehicle is the replacement of a wrecked vehicle for the Fleet Services Division. The second item is a replacement vehicle for the Department of Conservation and Natural Resources. The third one is the purchase of a new vehicle for the Department of Conservation and Natural Resources. The fourth one is the purchase of a used pick-up truck by the Peace Officers’ Standards and Training Commission.

Governor: Pretty straightforward. I have no questions. Board Members?

Secretary of State: None, I’ll move for approval.

Governor: The Secretary of State has moved for approval of the State vehicle purchases described in agenda item number 4. Is there a second?

Attorney General: I second.

Governor: The Attorney General has seconded the motion. Any questions or discussion? Hearing none, all in favor say aye. [ayes around] Motion passes 3-0.

***5. FOR POSSIBLE ACTION – AUTHORIZATION TO CONTRACT WITH A CURRENT AND/OR FORMER EMPLOYEES**

A. Department of Public Safety – Emergency Management

Pursuant to NRS 333.705, subsection 1, the division requests authority to contract with Andrew Gagliardo, a former Communications Systems Specialist, to support the development and deployment of an Interoperable Communications Plan for the State of Nevada.

B. Department of Transportation

Pursuant to NRS 333.705, subsection 1, the Department of Transportation requests authority to contract with Scott Carroll, a former Supervisor III, Associate Engineer on the northern Nevada Traffic study awarded to the CA Group.

C. Department of Transportation

Pursuant to NRS 333.705, subsection 1, the Department of Transportation requests authority to contract with Mark Elicegui, a former Chief Structures Engineer, to perform the role of Principal Project Engineer on various NDOT Traffic Safety Engineering projects awarded to Parsons Transportation Group.

D. Department of Transportation

Pursuant to NRS 333.705, subsection 1, the Department of Transportation (NDOT) requests authority to contract with James Ceragioli, a former Senior Safety Coordinator. NDOT has an existing contract with the CA Group for a northern Nevada traffic study.

E. Department of Transportation

Pursuant to NRS 333.705, subsection 1, the Department of Transportation (NDOT) requests authority to contract with Paula Aiazzi, a former Business Process Analyst I, to manage the implementation of a department-wide DocuSign solution. The employee will support NDOT part-time from February 1, 2016 through April 30, 2017.

F. Department of Health and Human Services – Director’s Office and Division of Welfare and Supportive Services

Pursuant to NRS 333.705, subsection 1, the Department of Health and Human Services Director’s Office and the Division of Welfare and Supportive Services requests authority to contract with Jeffery Stroup, a Graduate Research Assistant currently employed by the University of Nevada, Reno to conduct econometric and statistical analysis on human service caseloads.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Attorney General

Vote: 3-0

Comments:

Governor: Let's move to agenda item number 5, A, B, C, D, E and F, which are Authorization to Contract with a Current or Former Employee. Mr. Wells.

Clerk: Thank you Governor. Item number 5 includes six requests pursuant to Subsection 1 of NRS 333.705 to contract with current and/or former employees. The first request is from the Department of Public Safety Division of Emergency Management to contract with a former employee to deploy an interoperable communications plan. This employee or former employee has an extensive background in all areas of the interoperable communications and was responsible for communications capabilities for the State Emergency Operations Center. The request is to contract with the former employee at an annual salary of \$95,098 with no expiration date.

The second, third and fourth requests are from the Department of Transportation to allow contracted vendors to use former employees on the projects awarded to the vendors. The former employees are all retired and none of them had any influence or authority over the contracts with the vendors.

The fifth request is from the Department of Transportation to contract with a former business process analyst to manage the implementation and transition of internal and external documents into their DocuSign System. The request is to contract with the former employee through a staffing agency on a part-time basis, up to 24 hours a week at a rate of \$27.28 per hour, including the temporary agency fee, for a period of approximately 14 months. While the Agenda states that it's through April 30, 2107, the actual request is through March 31, 2017.

Governor: Don't we all wish, huh? [laughter]

Clerk: The sixth request is from the Department of Health and Human Services to contract with a current UNR graduate research assistant to conduct econometric and statistical analysis on the human service caseloads. The request is for approximately 20 hours per week with the intent to create a work experience program with the University to fill future needs of the Department. There are representatives from each of the Departments available.

Governor: Thank you Mr. Wells. I have questions for A and F. If the other Board Members have questions on any of the others, we can call those forward as well.

Secretary of State: That's okay, we're going to go with those.

Governor: Then let's proceed with 5A which is Department of Public Safety, Emergency Management.

Justin Luna: Good morning.

Governor: Good morning.

Justin Luna: My name is Justin Luna. I'm the Administrative Services Officer for the Division of Emergency Management. Caleb Cage was unable to attend today. He had a previous engagement. I can answer any questions that you have regarding the request.

Governor: I guess to the nut for me, this is an individual that worked for three months and then has left and essentially is going to get a substantial pay increase by going through a temp agency. Then there is also no time limitation with regard to the employment of this individual. I guess the questions are, A) why didn't we seek a reclassification and then B) why is there an open ended contract rather than trying to train somebody internally?

Justin Luna: Regarding the classification, the current position that we have budgeted, the Communications Specialist position is for support more internally for the Division. For the communications and coordination with the statewide effort or the Statewide Interoperability Coordinator which is the position that we're requesting to contract with is to coordinate the statewide plan. So the additional level of technical expertise and knowledge statewide is the reason that we are requesting right now to contract for the position. The person that we're requesting to contract with left the position for personal reasons. Primarily due to, I think, location of the position. When the contracted position previously went, we decided to end the contract for the previous SWIC. We reached out to the person who had filled the Communications Systems Specialist position to see if they were interested in it.

Governor: So, are you—and again, I'm trying to get through so we have this—I'm not questioning that we need this position filled. We hire somebody three months. They go from, let's see, \$70,000 to \$95,000, at least for money wise. So you're saying they didn't leave because of pay, they left because of the site of where they had to live?

Justin Luna: Yeah. I believe that's the reason. The Communications Systems Specialist position is based in Carson City where our Emergency Center capabilities are. This position would be primarily based out of Southern Nevada.

Governor: In Las Vegas, there's nobody that can fill this position?

Justin Luna: Through the State position?

Governor: Yes.

Justin Luna: We recently put out the recruitment for the Communications Systems Specialist position and we received only one applicant. We're looking at different alternatives for that position, but we only received one applicant in that recruitment.

Governor: And, why is it not temporary, at least this application here?

Justin Luna: It's probably contingent on the grant funding. As long as we have the grant funding available, we'll be able to support this position.

Governor: What if, and this is part of the record that I have to establish here, but what if we said no? Or, I said no, I can't speak for the other members here.

Justin Luna: Then we'd probably have to look at doing another recruitment, probably still looking to contract for the position, but possibly trying to look for additional applicants that are possibly not state employees or that are not within the two year cooling off period.

Governor: How aggressive are you in terms of making it known that this position is available? Again, I'm shocked that there was only one applicant in all of Southern Nevada who applied for this vacant position.

Justin Luna: We're using the State Recruitment Process, going through the State Recruitment Process to advertise for this position. The Communications System Specialist position is a state position.

Governor: Is it a very unique skillset that's required to fill this position that narrows the field in terms of who would be eligible for this or qualified?

Justin Luna: There are technical aspects of the position that do narrow the applicant field. That's one of the things that we're trying to look at and possibly revise criteria for the position.

Governor: Backing up, the individual who was in this position resides in Carson City or resides in Las Vegas?

Justin Luna: Las Vegas.

Governor: So, lived in Carson City for three months and said, I want to go to Las Vegas?

Justin Luna: Yes.

Governor: Sorry you had to be the one that had to be here, but I mean, you've got to step back from this. My concern is that you've got an individual who has worked here for three months. Now is going through a temp agency and getting a very significant pay increase here. I'm not saying it's going to set a precedent but folks can point—I didn't do the lights on you. [laughter]

Secretary of State: Now you're under the gun.

Governor: You know, we really don't need those lights.

Secretary of State: No, we don't. [laughter]

Governor: In any event, that is my concern, is the precedent that we'll set. I don't know if we've ever approved something that is open ended, indefinitely. I know that this is subject to grant funding, but it still could be open ended here. I've always sought to encourage that we take these positions, fill them temporarily and get somebody trained so that we can have somebody in

a state position to do it. My other question would be, so if you're going to fill this position permanently with this individual, what happens to that position that is now vacant?

Justin Luna: The position, we're trying to fill that position within the Division. It's a state position and we're trying to fill that position.

Governor: But would you be filling it with somebody other than who, with the same skillset that was in there before, or when you say you're trying to fill it, you're trying to fill it—

Justin Luna: Currently with the same skillset, that's the one that we received the one applicant on. If that applicant does not meet the criteria and we don't decide to move forward with that applicant then we would probably be revising some of the scope of work for that position to try to get a wider applicant pool.

Governor: Just to help you out here, it sounds like the intent was to fill this temporarily?

Justin Luna: Yes.

Governor: Yes, okay. All right.

Secretary of State: Can I ask?

Governor: Chief Wright has stepped forward as well. Chief, anything else to add?

Director Wright: Good morning Governor and Members of the Board. I just wanted to come up and give Justin a little assistance here in hearing this discussion. I kind of anticipated that there would be a question on this because the individual we had hired for the DEM Communications person did work for us for approximately three months. The individual had some personal issues with family. I think originally there was a desire to move out of state. Ultimately the decision was to move back to Las Vegas. We had originally thought we'd lost this person. Actually, he was over qualified for the position that we had for the Division. Once we heard that he was back in the State or never left the State, with his qualifications, we talked about SWIC, or the Statewide Interoperability Coordinator, that is a highly technical communications position. That has been grant funded through the Division for several years. It's a critical position as we deal with all of the communication systems across the State. We're always hearing about how our radio systems don't talk to each other. The Legislature has been asking questions on that year after year after year. This position is very vital to that, to make sure that we have systems that can talk to each other, to work with those individual agencies. As we move forward in the process of modernizing the Nevada Shared Radio System, this position is critical. This position interfaces with my Committee on the Nevada Public Safety Communications Committee, that works very closely with our Committee, dealing with radio communications. It is highly critical. You asked about candidates for this, it is of the technical expertise needed in that, your field narrows. This was an opportunity that, yeah he worked for us for three months and there was nothing behind the scenes trying to get him a pay raise by going this route. It was truly driven on a personal matter and then we just took advantage of it when he came available on the back side of it to fill this critical position. We had a SWIC in place but we had terminated that contract and we needed someone of that skillset.

Governor: It helps. I'm not disputing the need for this and I'm not suggesting anything nefarious. There are a lot of people in here with unique skillsets who may like to leave state employment and get a \$20,000 raise soon thereafter.

Director Wright: I understand that. It was our intent that because of the critical need of this position, instead of having it grant funded and living with the fear of will it be funded next year etc., is that, I believe it should be a state funded position and it's one that we're going to look at in the budget process to see if we can get that converted to a state position.

Governor: And then, between now and then, is there not a process by which you can upgrade that position and increase the salary range and perhaps increase the pool of applicants?

Director Wright: Are you asking about the vacancy?

Governor: Yes.

Director Wright: We did look at that, because like I said, that individual was over qualified for that position in the Division. We looked at upgrading that position and having him do two roles. We found that the work associated with it would be too much for one position.

Governor: What's going to happen to that position?

Director Wright: The position in the end, they will continue their pursuit to fill that. That's a budgeted position, they'll fill that. Again, as Justin explained, that position is on a localized level for the Division for our Department activity. The contract position is a more statewide application for communications.

Governor: Okay. That's something different for me, in terms of—I guess I'm a little confused now. I thought this individual was in that position to start with. The state position.

Director Wright: The proposed contract position person was in the Division's position. A personal issue came up about three months employed, separated from State service to take care of personal family desires. That changed over a couple of months. He relocates, goes back to where he came from in Vegas. The original separation was going to Oregon, it was all a personal.

Governor: Yeah, we don't need to go into that.

Director Wright: We ultimately end up with a state position at the Division of Emergency Management is vacant. The plan is to pursue that. The individual that's selected for the contract position, did reside here, separated from State service and that's who we're trying to—

Governor: So now you're going to have two people. Because you are going to have this contract position plus the State position.

Director Wright: Doing separate tasks.

Governor: Was there anybody in the contract position before?

Director Wright: Yes.

Governor: That person left too.

Director Wright: Terminated.

Governor: We don't need to get in to that either. All right.

Director Wright: We take care of business.

Governor: That's helpful as well. That helps me. So this contract position obviously will remain there during the life of the grant?

Director Wright: Correct.

Governor: I'm done.

Director Wright: Hopefully we can be successful through the budgetary process to get that position as a full time state position.

Governor: Madam Secretary, do you have any questions?

Secretary of State: I do Governor. Thank you very much and thank you for your responses. As somebody who is getting involved in a lot of the technical areas, we do find that it is a very hard area to fill and the expertise is extremely extraordinary when you can find someone. We've found ourselves in some of these predicaments as well, trying to contract that person. This contract that you're going to have is not open ended, from what I understand. It's either the grant money runs out or they are at-willed employed, correct?

Director Wright: Yes.

Secretary of State: So you could be terminated at any time whether the money goes out or you don't need that at all anymore. That's what you've made very clear. I think to me, there are two different positions and sometimes we fill someone who is at a higher level of their expertise because that's the position you have, you have open. I just know from what we're going through that it's really been extremely hard to fill the IT positions. We don't have enough employees in our State. We've been recruiting out of state and actually out of the country trying to find expertise for what we do in the Secretary of State's Office. I appreciate all of your comments. Thank you very much. Thank you for your service.

Director Wright: Thank you.

Governor: Mr. Attorney General, do you have any questions?

Attorney General: No Governor, thanks.

Governor: Mr. Luna, thank you, good job. [laughter]

Secretary of State: The lights went off, did you notice? [laughter] A little hot there.

Governor: All right, let's move to F, which is DHHS. Good morning.

Ellen Crelius: Good morning. This position is an intern. We would like to hire a graduate student who is basically a PhD student. He's expected to complete his dissertation by the end of the year. He has a lot of needed skills we would need for statistical analysis with our caseloads.

Governor: You know what, I misspoke. I meant E, not F. You're good. [laughter]

Ellen Crelius: No hot seat, no lights. [laughter]

Secretary of State: That was pretty good.

Governor: Sorry. [laughter]

Jenny Eyerly: We were excited for a minute. [laughter]

Robert Nellis: Governor, for the record, Robert Nellis, Assistant Director for Administration for Nevada Department of Transportation. With me is our Chief of Administrative Services, Jenny Eyerly. We're happy to answer any questions the Board may have.

Governor: Thank you Mr. Nellis. Two days in a row. Just a similar question. You have an individual that's coming in 2016, I get that this individual has a specific skillset with regard to your DocuSign, my question is, is there a time limitation on this?

Robert Nellis: The time limitation in terms of DocuSign?

Governor: Yes. All right, I guess the time limitation on how long you would employ this individual?

Jenny Eyerly: We originally asked for 91 years as you know.

Governor: Yeah.

Jenny Eyerly: We scaled that down. So, we're looking at—

Governor: LeBron didn't even get a 91 year contract. [laughter]

Jenny Eyerly: We're looking at 14 months at this point. That coincides with actually the end of the state purchasing agreement in place with the staffing. We plan on utilizing Paula's services through Marathon Staffing on a temporary basis. That gives us some flexibility in using her and

keeping her for long enough to continue the momentum that we have going now, in terms of creating efficiencies that we have with DocuSign as well as, working on some other systems that Paula is intimately familiar with. Filling her vacancy and training that person to understand what she does.

Governor: That was my next question and it comes up practically every Board of Examiners Meeting is, having a succession plan ready to go so that we don't have to keep doing this and making sure that there's somebody who is going to step up after these individuals retire or move on. There is a specific plan to train somebody?

Jenny Eyerly: Absolutely, yes.

Governor: And it will take 14 months to do that?

Jenny Eyerly: We believe it will. It's a combination of Paula continuing to do the work now and training the new person. It's going to take a while to get the right person in place. It can take several months just to fill the vacancy. Then, getting them the knowledge they need to really carry over what Paula has been doing because over time, with systems especially, little nuances and different things come up over the course of time. It's really helpful for us to have someone in place with that expertise, as little different issues and nuances come up.

Governor: I understand that. The other part of it is to, again, establish a record of what happens if this were not to be approved?

Jenny Eyerly: We would be hurting if this weren't to be approved.

Governor: Describe 'hurting'.

Jenny Eyerly: We have worked very hard on, I guess what I would call the digital transformation within Administrative Services. We've brought up the electronic bidding system. We have an electronic procurement and tracking system for RFPs, as well as this DocuSign. DocuSign is a software system but there's a lot of processes behind the scenes that really Paula has done a very good job of identifying, going and seeking out those efficiencies, understanding all processes and how divisions work together. We would lose the momentum that we have in terms of those process efficiency gains because Paula is a Business Process Analyst. It would set us back.

Governor: That's all I need to know. Madam Secretary?

Secretary of State: Thank you Governor. Was Paula, did she retire and she's coming back part-time, I guess I didn't hear what happened to her employment.

Jenny Eyerly: For personal reasons, she has a need to work part-time rather than full-time.

Secretary of State: Part-time. Okay, so instead of—and I don't know HR's position on part-time employees, but there isn't an avenue for us to make that a part-time position to facilitate that so they, HR, has instructed you to go to her as a part-time consultant?

Jenny Eyerly: There could be a process to take that position to part-time, however, we have a business need to continue with the full-time.

Secretary of State: Full time. And so that's, okay. And this is through working with HR, the Human Resources Division on the employment side? Is this within or is this—

Robert Nellis: For the record Robert Nellis. We do have our own internal HR Division. They work closely with the State HR.

Secretary of State: But that was kind of what you've come up because I know that we've been trying to also go in and look at how we can finesse getting good employees and keeping positions. It's quite the gamesmanship to work through this. Okay, thank you Governor.

Governor: Well, and she is taking a pay cut. So, I think that's important to establish for the record.

Secretary of State: Yes.

Governor: She's going from \$31.00 to \$22.00 an hour.

Robert Nellis: Governor, if I may emphasize that this is a part-time contract.

Governor: Yes.

Secretary of State: Right.

Robert Nellis: She's not going to be full-time employed, so.

Secretary of State: She will be an at-will?

Jenny Eyerly: On Contract

Governor: So, this contract would terminate in June of 2017?

Jenny Eyerly: I believe the Marathon Staffing contract goes through the end of March of 2017.

Governor: Okay. I have no further questions, Madam Secretary?

Secretary of State: No Governor.

Governor: Mr. Attorney General, any questions?

Attorney General: No Governor, thanks.

Governor: Thank you very much.

Secretary of State: Thank you.

Governor: Before I take a motion, Board Members, any further questions with regard to agenda item 5 A, B, C, D, E and F?

Secretary of State: None.

Governor: The Chair will accept a motion for approval.

Secretary of State: Okay, move for approval Item 5A-F.

Attorney General: I second.

Governor: The Secretary of State has moved for approval of agenda item 5A-F, the Attorney General has seconded the motion. Any questions or discussion? Hearing none, all in favor say aye. [ayes around] Motion passes 3-0.

***6. FOR POSSIBLE ACTION – APPROVAL/REVIEW OF AN EMERGENCY CONTRACT WITH A CURRENT AND/OR FORMER EMPLOYEE**

A. Department of Transportation

Pursuant to NRS 333.705, subsection 4, the Department of Transportation seeks a favorable recommendation regarding the division's determination to use the emergency provision to contract with a former Maintenance Management Coordinator II from October 05, 2015 through February 05, 2016 to assist in the development of the Request for Proposals requirements for the replacement of the Maintenance Management System.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Attorney General

Vote: 3-0

Comments:

Governor: We'll move on to agenda item number 6 which is to Approve or Review an Emergency Contract with a current and/or Former Employee, Department of Transportation.

Clerk: Thank you Governor. Pursuant to Subsection 4 of NRS 333.705, an agency may contract with a former employee without first obtaining Board of Examiners approval if the term of the contract is for less than four months and the head of the using agency determines an emergency exists. The agency then must request through the Board of Examiners, a determination of whether or not they would have approved that contract, had it not been entered into under the emergency provisions. Item 6 is a request from the Department of Transportation seeking a

favorable recommendation from the Board on their use of the emergency provisions to contract with a former Maintenance Management Coordinator to provide assistance in the development of a request for proposal requirements for a new Maintenance Management System. The length of the contract is for 90 days at a rate of \$44.35 per hour, including the temp agency fee. Representatives from the Department are available to answer any questions the Board may have.

Governor: I have no questions. The materials provided are sufficient to establish the emergency and the justification. Mr. Attorney General, do you have any questions?

Attorney General: No questions, thank you Governor.

Governor: All right. The Chair will accept a motion to approve the emergency contract with a former state employee for the Department of Transportation.

Secretary of State: So moved.

Governor: Secretary of State has moved for approval, is there a second.

Attorney General: Second.

Governor: Second by the Attorney General. Any questions or discussion? Hearing none, all in favor say aye. [ayes around] Motion passes 3-0.

***7. FOR POSSIBLE ACTION – APPROVAL OF A CRITICAL LABOR SHORTAGE**

Pursuant to NRS 286.523, it is the policy of this State to ensure that the reemployment of a retired public employee pursuant to this section is limited to positions of extreme need. An employer who desires to employ such a retired public employee to fill a position for which there is a critical labor shortage must make the determination of reemployment based upon the appropriate and necessary delivery of services to the public.

A. Department of Public Safety – Director’s Office

Pursuant NRS 286.523, the Director of the Department of Public Safety (DPS) requests that the Board of Examiners designate DPS Officer I and DPS Officer II as “critical need positions” and grant a Public Employees Retirement System (PERS) exception for the reemployment of qualifying retired employees to fill positions for which a critical labor shortage has been appropriately designated.

Clerk’s Recommendation: I recommend approval.

Motion By: Secretary of State Seconded By: Attorney General Vote: 3-0

Comments:

Governor: Let’s move to agenda item number 7, Approval of a Critical Labor Shortage for the Department of Public Safety, Mr. Wells.

Clerk: Thank you Governor. Pursuant to NRS 286.523, it is the policy of the State to ensure that the reemployment of retired employees is limited to positions of extreme need. An employer who desires to employ a retired public employee to fill a position, for which there is a critical labor shortage, must make the determination of reemployment based upon the appropriate and necessary delivery of services to the public in an open meeting. The Board of Examiners has the authority to designate the positions in state government for which there are critical labor shortages.

The Department of Public Safety is requesting the Board designate DPS Officer I and DPS Officer II positions as critical need and allow the Department to reemploy retired public employees who require little or no training to perform important peace officer duties. Chief Wright is here to answer any questions the Board may have.

Governor: Good morning Chief.

Director Wright: Good morning again, Governor and Members of the Board. For the record, Jim Wright, Director of the Department of Public Safety. Thank you Governor for hearing this agenda item today. The Department of Public Safety is at a point with our current vacancies to make sure that we employ all available by any means to have our positions filled. I have asked in all kinds of venues, wherever I go, what am I doing about filling vacancies and that, it's been ongoing for the last couple of years. I want to make sure that we reach out and utilize these things available to us to make sure we have positions filled.

We started out this program, this idea about utilizing retired folks from previous jobs that we utilize retirees to fill in positions. We brought this to our Capitol Police Division and it was very successful there to help them fill their vacancies. We've now moved it to any positions with the Highway Patrol and also Parole and Probation to give us the positions filled by qualified employees that have recently retired. That comes as a benefit to us because one, they're already trained in those fields and it's a benefit. Benefit for that person coming back helping us. And, it's their desire to come back and help us, is the good thing that's been beneficial with this.

We currently have, department wide, 114 vacancies. Currently we're utilizing 27 retired personnel to fill vacancies at the Capital Police, NHP and P&P. This program is very beneficial to us, especially where divisions are critically short and we're making other means to deal with those vacancies.

This is a first that I'm aware of that our Department has attempted to do this. There's a number of things that we have to go over to meet the PERS Requirements for this. Right now, a retired person is eligible to work up to 1,039 hours or a salary up to \$23,920, is the currently salary cap on those positions.

What we have found by utilizing these positions is that—and it's by fiscal year the example I'd like to give you is with our Capital Police Division is that we found that we could get through, in about springtime is when these employees would start hitting that cap. Our Chief of the Capital Police Division, come springtime, about April, May, was running into that shortage again because the utilization of those temporary officers, their time and the money cap had been reached. We end up with that. We look for a way to give us that cushion that expansion to get

us through that remaining couple of months of the fiscal year. That's where we looked at and said, if we can get this critical bill designation, that would remove those caps for us and enable us to have that continuous staffing and not have, at the end of the fiscal year, another critical schedule shortage.

Some of the things that we need to make sure that we talk about today with this item is the history of the rate of turnover for the positions, and Department wide, from 2012-2015, we've ranged from either 10% and it's gradually increased up to 2015 was 14.3%, has been those turnover numbers. Specifically in the Division of Parole and Probation, and Capital Police, from 2012 it's been basically 9.5% up to 16.32% in 2015. The numbers of these openings for the positions where we're basically utilizing these has been 41. We've been filling 41 of those positions with the 27 that we have on staff currently.

Governor: Say that again, I want to make sure that I understand that, I'm sorry Director Wright, will you say that again, the 41 and the 27.

Director Wright: Of what we were asking for here, between those two divisions there were 41 positions vacant. We're utilizing 27 retirees to fill the 41.

Again, overall—and from the time that I submitted this memo for this Agenda Item, back in December, we were at 96 vacancies, that's increased to 114 as of today, due to additional retirements that occurred in December and also staff leaving for other positions.

Length of time that a position has been vacant, they range from anywhere from three months to one year. The difficulty in filling the positions due to special circumstances, including special unique characteristics to the job is that again, these are peace officer positions. There is a written exam, physical exams that folks have to go through, extensive background investigation, POST Certification requirements and other training requirements of the specific positions.

Our history in doing the recruitments for these and this may lead into some other areas that I'm prepared to talk about with you is that, our Department has taken every angle that I can envision to put a recruitment program out there. I brought a list today of the things that we do, we reach out to military veterans, we go to the military bases, we go to colleges, we go to criminal justice programs. We Tweet, we use Facebook, we use all the social media that we can. We put it on the NEATS application, on our DPS Website. We blanket everything we can. And future activities that the Department is going to engage in is also a video, a recruitment video we want to put together, we're in the beginning stages of that to reach out and have public safety announcements in places like theaters to play this, as that, this is DPS, we'd like for you to be part of our family. This is a good place to work and again, that encouraging—anything that we can do to get that out there, that we want people to come to us. We have. We've used extensive recruitment means to do this and still we find ourselves in a position that we have to reach out and use these. I'm trying my best to use every avenue, any tool in the box I can to bring people to our Department.

That leads into some other things that you might have questions of, why do we have a recruitment problem? There is several things that I see and Director Wells and I have talked about this before. We really have a lot of negatives stacked against us in today's world in

recruitment. One, other departments are recruiting at the same time, which takes away candidates from us. We're in a position that we're finding that candidates are hesitant to come into this career field now. When we see in the media, things that are happening, law enforcement being criticized, officers being charged with criminal acts for decisions they've made, that weighs on these folks' minds in coming. Then add to that there are terrorist organizations targeting law enforcement and military today. We see in the news on a regular basis, officers are being ambushed in their cars. We've asked some of the folks that are coming to the Department is that what's weighing on your mind? What is your family thinking of this? I'm sure this is becoming an impact to us, that people are thinking about, "do I really want to go in that dangerous career field?" It was dangerous before, but it seems it has increased with these latest attacks that we've seen on law enforcement officers. So, it is weighing on their minds and I think their families are having a say into their choices of do they want their loved ones to go in this career field.

We're trying our best to reach out and bring them in and give them the best training available that we can and bring them here. We've reached out even to our rural, our rural assignments are really tough to fill. We've asked our officers in those rural posts to recruit your replacement. If there's someone in that community that's qualified and interested in the job, talk to them. Get them recruited into our Department. It's a good place for them to go back and work in their own communities.

So, it has been difficult. An example, we started our Academy 73 last Monday. We started with 38 cadets. Halfway into the morning, one of the cadets said, this isn't for me and walked out. By the end of that day, another one had a personal matter that said, "I'm gone too". So, today, from the roll call, we made sure we had today, we were still at 36 in that Academy class. Typical Academy processes that will happen, I'll kind of guess now, but we'll probably graduate 30 of those cadets. Because some will fall out because of requirements that they miss in shooting, defensive tactics, those types of things, written exams and that. Just through our history of Academy graduations.

It is tough. When we start losing folks, there's a cost with that. I'd like to share with you just a couple of numbers in Fiscal Year '15 and to year to date. It costs us, and I'll say these are conservative numbers because these are losses that we've had of sworn people leaving us going to another department. They are paid to get through the Academy, equipment, uniforms, bullets for them to train in and stuff, conservative numbers is \$2.4M. We constantly find ourselves in this ever, ever changing of faces at the Academy training that we've had. I'm even going to go as far as try to get a—we're in a process of looking at establishing a basic academy in Las Vegas.

Governor: I was going to get to that. We can talk about that some more.

Director Wright: We're finding that there are candidates that would love to come to work for us, they just can't come to Carson City for 15 weeks. We heard that loud and clear. We've got executive staff working on this, working with some cooperative ventures with some other departments to allow us to get an Academy established there. I think that would really help us as well because it's tough. It's tough to be away from family for 15 weeks. Then you go, that's just to get through the basic Academy. Then from there, you go 9 weeks of specific training for

whichever division you're going in. Then you have another 15 weeks with a field training officer, to get you to the point where you can function by yourself out on the street.

So, there's a lot of things involved here. There's some of the things, and numbers—we've talked about numbers, where you can get confused in these numbers. There's turnover rates and there's vacancies. We at the Department look specifically at vacancies because we can count those. Turnover rate includes a lot of other things. It can also include transfers within the Department.

That's one thing that I'd like to quickly touch on, transfers within the Department, we encourage because that's the beauty of the Department of Public Safety, as we've said it's a united Department. We encourage our employees for diversity of experience to move around. It's great that we have Highway Patrol Troopers do time in patrol and then move into Parole and Probation, then into specialty units such as Arson Investigators with the State Fire Marshal Office or Criminal Investigations with NDI. That is the premise that DPS was developed on. We encourage that movement because the more diverse experience—and that's something we have, I feel that a local department may not have, a small local department anyway. We have diversity in our Department. Folks can move around and get that diversity experience. We try to really capitalize on that.

Those numbers can seem a little different and may be confusing, but the actual vacancies are something we in the Department can actually count. We are working hardest on this, to get this. I bring forth this request for the critical need to enable us to use those tools, use those retired officers, to help us during this time of critical need.

We're going to continue. I know it's difficult for us to compete with other departments. We just found that Metro opened up lateral transfers. It appears they've accepted 12 of our Highway Patrol Officers into a lateral position. There's that process going on. We know Parole and Probation, at least a dozen of their officers have also applied for this. They're leaving chasing that, that additional salary. From what we can see, someone leaving us to go into Metro, they're looking at about a 30% increase. Part of that is, the locals pay their retirement costs, where ours will pay their portion of it.

Governor: So, it's not a—I mean, that 30% has the PERS embedded in that.

Director Wright: It does. That's where we look at this and as we go further down and we do comparisons, we have to make sure that we really look at what's cash, what's benefits and working conditions and all that. An example, Washoe County Sheriff's Department, we've lost a couple to them. Now, an individual going to them as an officer, we know they're going to do seven years in the jail. That's their starting assignment before they even think about driving a patrol car in the street. If you want to work the jail for seven years, okay, but we've found that that salary for that employee going to the jail, they're making about what a DPS Lieutenant makes with us.

It gets down to personal choices that they have to make for their families. We'll continue to work through. I appreciate the ability to bring this forward to you. I hope that we'll be successful in getting this established. I think it's an important tool for us to get down the road.

Again, I have to thank those retired officers. Not everybody wants to do this. Once they retire they go on, but we found that we had this good, great group of folks that care about the Department they were part of, that were willing to come back and give some extra time to us to get us through this period. They've been doing a great job for us. Again, you know, we benefit from their experience. Parole and Probation is utilizing these, mainly in Las Vegas, because of the caseload down there, is that we're utilizing these officers to do the office filing or transactions that an officer would have to do in an office to allow the full time officers to get out in the street and the homes of the offenders that they're watching. It's been a good program for us. We'll continue to do that. We run into that cap during the period and it really puts us in a critical shortage when we do that.

I've hit on the things that I believe are required for the critical need. Again, we touched on some other things that are effecting our Department. I know other departments are facing vacancies and difficulties as well. I wanted to leave you with the knowledge and feeling we are doing everything we can. I mean, from brochures to websites.

What I brought today to show you, this is the documentation that we're keeping. This is Highway Patrol's documentation. I promised them I would protect this with my life today. This is the documentation that we're receiving from every officer that leaves, asking them why are they leaving. We are having a major retirement process. It's just the age of the Department. But, we're capturing them. Some of them were just personal reason; family moving on, family doesn't want them to be part of this anymore, and then we also have the ones leaving for other departments. We feel we've done a good capture, of better information than I know we've ever had before. I do, I have to guard this with my life here today, but we are capturing this information to give us good justification to share with you as to what we're doing, how it's affecting us and that.

Sir, if there are any other questions, I'd be happy to answer any of the Board Members with this. It is difficult, but we're giving it our all and hitting it every day with everything we can.

Governor: Thank you Director Wright. I'll be clear from the onset, I'm going to support this. Undoubtedly, we have to protect the public. You can talk about spreadsheets and vacancies and all that, but the bottom line is we must protect the public. We cannot protect them as well as we could if we had all these positions filled. So, undoubtedly, I think there's a critical need here to get this done.

Let's talk a little bit about this because you're very thorough, but with regard to those—I agree with you that the number we need to focus on is the 114, not the turnover percentage, but, within that turnover percentage is the laterals that you talked about. I agree with you, I want to encourage men and women to advance themselves, to get different experience, to perhaps seek out a piece of law enforcement that they want to do. When you talk about these turnover percentages, that includes the movement of people within the Department, correct?

Director Wright: Correct.

Governor: Okay. So, we have that. As one person vacates a position and moves into another, that's what creates the vacancy that we talk about here. Can you ballpark what the vacancies are

caused by people leaving to go to Metro versus creating a vacancy because they've moved internally to another position?

Director Wright: Yes, again for the record, Jim Wright with DPS. I'll share with you this information that we have for Fiscal Year '15. These are ones that we have documented that they've left for Metro, Henderson, North Las Vegas. Highway Patrol lost six to North Las Vegas last month. In Fiscal Year '15, the Highway Patrol lost 17 personnel documented, saying they were going for a higher paying job. Parole and Probation lost 11. So, that's 28 for Fiscal Year '15. To date, Fiscal Year '16, Patrol has lost 12 and P&P has lost 4 for a total of 16 to date.

We again wanted to focus on that because the question is, how many do leave for a jurisdiction with more pay. I don't have the number right in front of me for retirement. We've had a lot of retirements. December is always a month that you lose several to retirements. That's why we focused on that to give you that snapshot to see what's happening.

Governor: Okay.

Director Wright: Sometimes you think well, that's not a big number with all the numbers that you have, but again, it depends on those spreadsheets and what they're depicting, turnover versus, and like I said, we at the Department focus on the actual vacant seats that we have to deal with.

Governor: Let's talk a little more about the recruiting. So we have, would you say 38 folks that started in the Academy and they're down two, and believe me, we're going to talk about opening an Academy in Las Vegas, because I think that will make a tremendous difference. I agree with you that it is hard to leave your family for that amount of time. Perhaps that will expand the pool of applicants. How many do we disqualify? How many applicants do we get for each, for an Academy?

Director Wright: Thank you for that question because this is one that we share a lot. We've said, and it's been pretty true through the last couple of years, is that we say it takes 1,000 applicants to get 50 into an Academy class. To that, and I brought stats that I'd be glad to share this with you, but we broke it down to 100. So, you times that by 10, that will get you back but the numbers stay the same.

When we start this out and I take interest in this because a couple of years ago, we went through and said, let's look at our entire process. From the time the applicant sends an application through NEATS and we look at it. Everything from a business standpoint is, there's money involved. So, as we look forward, how can we improve our process? We streamlined our process through this.

I did a paper one time on this, on recruiting and I was astonished by these numbers when I first got involved in this; is that, out of that 100, we'll find that 50 won't even show up for testing. Now, what we invite them to, we invite them to—

Governor: And, Director, I'm going to have to ask you to get to it because we've got a lot of other folks here waiting.

Director Wright: Okay. So, in essence, let's just use that 100, they'll fail out for not showing up for the test. They'll fail out, either the written or physical fitness, written exam, oral interview or the background, and extensive background and polygraphs. So, of that 100, we'll net out 5 to go to the Academy. So, if you times that by 10, that gives 1,000 to get 50 into an academy class. So, there's a whole host of things, but I've been surprised on how many that just don't show up for their appointments to be interviewed. We'll have eight scheduled for oral interviews and halfway through the interview panel is waiting because they've had no shows. Sometimes they'll let us know and sometimes they just don't show up at all.

Governor: That's an astonishing number, 5 out of 100. Have you checked with Metro or any of the other agencies, do they have the same issue?

Director Wright: They do. I have checked with our counterparts and they're having the same amount of struggles as we are. It gives me a little bit of relief that we're not the only ones. I think it's true across the board, across the United States, that law enforcement agencies are having this. We need to maintain standards and I don't feel we should be reducing any standards to get more people on because that can lead to other problems. As we're seeing problems with law enforcement officers across the nation, we just don't want to open up and reduce standards and bring problems to a department that is going to end up in litigation or those types of things. Sir, that's what we're doing. We're trying our best and any help that you can give us is certainly appreciated. We'll continue to take on this matter and deal with the tools available to us.

Governor: Last question, do you see this as a permanent remedy or a temporary remedy?

Director Wright: For the item before us today, I'm looking at that hopefully as a temporary. We'd be glad to report back to you the statistics on where we are and how we're utilizing them and that. Ultimately, I think the ultimate fix is probably discussion later on how we can—

Governor: We're going to have that conversation with the budget, no doubt about it. All right. Madam Secretary?

Secretary of State: Yes, thank you Governor and thank you so much Director Wright. Again, this is a critical area in the Secretary of State's Office, we have peace officers. We've been meeting with Metro, with the Attorney General's Office and he might want to comment as well, the Marshal's, the court system, everybody is having the same issue that we are and we're trading employees. I mean, literally—they go from one to the other. The other thing you brought up, I did go to the CSN, the community college, close to Henderson, their Academy. It's a wonderful Academy. It's really great, but one of the agencies sent 14 people and not one of them qualified. You're right, it's one of them, they fail it and then they don't go any further in the process. I think we need to get something together Governor, for all of these agencies, because we are—people are going from one of our agencies to the other one and we're continuously seeing that, but to try to get somebody through an Academy it is like an act of congress just to get them to show up and do the things that they need. In talking to the instructors at CSN, I think they can help us. It's also a possibility for your group to go in. A lot of these other agencies I mentioned go into CSN as well, and we send—I had two positions that they were holding for me and I couldn't put anybody in for the Academy. We see the same and it's exactly what you say, we lose to another agency. By the way, I did lose one to yours; I just want you to know.

Director Wright: Oh, good.

Governor: All is fair in love and war, Madam Secretary.

Secretary of State: Yeah, yeah. So, my question to you after that and I appreciate it, so the DPS, the Officer I and the Officer II, when they come back, they're retired but they come back into those positions, are they part-time positions, full-time positions and what is the increase of pay? Is there an increase of pay for them or is it about the same that they were making? I'm just looking for the pay grade.

Director Wright: Okay, quickly, depends on where they're assignment is. Capital Police, they are Officer I. We have several retired Officer IIs that are filling, at the pay rate of Capital Police's Officer I levels. What they are receiving is basically a lower salary than what they were earning when they were full-time before their retirement. If they're going into Patrol or P&P, they are going back as Officer II levels, performing those work assignments. Depending again on the assignment, are they part-time? The Capital Police ones have been filling in part-time and in some cases, full-time positions to get us through because of the vacancy levels. P&P because of the vacancies and the caseloads and that, we've been working those retirees pretty much in a full-time role.

Secretary of State: Are they getting, their retirement plus the new?

Director Wright: They'll get their retirement, yeah, but keep in mind, they'll cap at \$23,920 or 1,039 hours, whichever comes first. And, thank you for mentioning the Academy at CSN. We did look into that for us. That's a semester based academy. We found that it didn't work for us and our need to put people out. We're going to take this one on ourselves. We did years ago, have a DPS Southern Academy and it was cut during budget cuts early on back in 2006 or in that range. It is, and I appreciate your recognition and support of that, I think that will really help us getting additional positions, having something in Las Vegas.

Secretary of State: And, I'm hoping Director Wright, that you'll include these—the other agencies, some of what I mentioned because we're all in a critical shortage and we all—if we can work together and try to help without this shifting from place to place, which I know it's all about the money for some, but some they do stay because they believe in where they are, so I appreciate that.

Director Wright: And, ours do. They like it. A letter from an officer who just left us for North Las Vegas, he told us he'd been on three years. Told us he loved the Department and best wishes, but he had to pursue salary for his family needs. So, it's not that they don't like the Department of Public Safety.

Secretary of State: No, I understand. It's all about—it's sometimes about the money.

Director Wright: It's a good place to work and we have a lot of those things going for us. Thank you for the time.

Secretary of State: Thank you Governor.

Governor: We may not be done with you. Mr. Attorney General, questions?

Attorney General: Thank you Governor. I'll try to be super brief. I just, as the top law enforcement officer, I want to echo what Director Wright said, that certainly law enforcement around the State sees what goes on nationally and rather than support our law enforcement, a lot of them feel under siege at times. That is a challenge and I also have the same issue with our peace officers regarding retention to other higher paying law enforcement agencies. For the same reason the Governor is going to support this, I am as well, that we can't let public safety go unprotected here. Even though this is an exception and an extreme exception, it's something I think we still need to support. Thanks for all your hard work.

Governor: Thank you Mr. Attorney General. Actually, and I know, I'm trying to be respectful of everyone's time, but there's one other issue that I want to bring up Chief, is that, you mentioned how much we invest in that Academy and how much we invest in each individual in terms of training them up and getting them to qualify and the total weeks, I don't remember what the math is, but 30 plus weeks I don't know if you have a number of what it costs to train somebody to prepare them for going on the street, and I would never seek to recover that from the individual because again they have to do better, but I guess there's an issue of fairness that we can talk about another day. We invest in an officer and spend all that money putting them through an Academy. If they depart and another agency does the lateral and is the beneficiary of all that training and investment, perhaps there's a discussion that can be had with this other hiring agency.

Director Wright: Yes. And, to share with you, I know several months ago, I read an article out of Los Angeles. Los Angeles Police Department tried to recover their costs on their cadets that they put through the Academy that left for other agencies and they got themselves in a civil labor issue over that.

Governor: I'm not suggesting that, because again, these are people that are committed to law enforcement and public safety and they're doing the best for themselves and their families. At the same time, it seems like we may be subsidizing another government entity in terms of that huge amount of investment that's made through the Academy.

Director Wright: We become the training ground.

Secretary of State: Yeah, that's true.

Governor: All right. There isn't really a question there, but that's a discussion for another day. Thank you Chief.

Director Wright: Thank you.

Governor: All right. If there are no further questions, the Chair will accept a motion to approve agenda item 7A which is the Department of Public Safety Critical Labor Shortage.

Secretary of State: Move for approval.

Governor: Secretary of State has moved for approval, is there a second?

Attorney General: I second.

Governor: Second by the Attorney General. Any questions or discussion? Hearing none, all in favor say aye. [ayes around] Motion passes 3-0.

***8. FOR POSSIBLE ACTION – TORT CLAIM**

- A. Prison Legal News Payable to Allen Lichtenstein, Esq.**
Claim Number: TC17378
Settlement Amount: \$475,000

Recommendation: The claim be paid in the amount of \$475,000.

Motion By: Secretary of State

Seconded By: Attorney General

Vote: 3-0

Comments:

Governor: Let's move to agenda item number 8 which is a Tort Claim.

Clerk: Thank you Governor. Item 8 is a \$475,000 claim for which the Office of the Attorney General recommends payment from the Tort Claims Fund to the Prison Legal News. There are representatives from the Office of the Attorney General available to discuss specifics of the claim and answer any questions the Board may have.

Governor: Good morning.

Andrea Barraclough: Good morning Board, my name is Andrea Barraclough, I'm Chief Deputy Attorney General, in charge of the Public Safety Division. This case was filed in 2013 and has asserted that the (NDOC) Nevada Department of Corrections mail handling policies regarding legal publications constituted unconstitutional censorship under the First Amendment.

The case was assigned to the Honorable Judge McKibbon. In 2000, Judge McKibbon was also assigned to a case with the same parties, that at the time made slightly different allegations of censorship, mainly that one was a blanket refusal to deliver inmate publications directed at PLN. As the parties and the Judge were identical to that previously settled case and the matters were related, Judge McKibbon elected to consolidate the 2013 case with the 2000 case number.

The complaint in this action alleged that three NDOC practices, namely prohibiting inmates from receiving publications containing address labels, requiring publications to be sent with first class postage as opposed to bulk postage and generating an approved list of publishers whose publications were per se allowed into the institutions, while not directed at PLN, were pretext for censoring the content of PLN materials. The complaint further alleged violations of due process since PLN claimed they were not given the right to be notified of and to appeal rejections of their publications.

The complaint requested monetary damages in addition to injunctive relief, seeking changes to NDOC's mail handling policies. The Department made changes to its Administrative Regulations in response to this 2013 complaint and instituted those changes in its mail handling. Recognizing the extensive discovery was still being conducted and attorney's fees were accruing regarding the non-injunctive portions of the lawsuit, it was identified that it was in the best interest of the State to mitigate exposure.

The parties agreed to mediate the matter and to reach a reasonable compromise resolution. The State was able to negotiate the current hard exposure down from \$813,000 in damages and attorney's fees to \$475,000. Had the case gone to trial, the State would've quite probably been subjected to attorney's fees alone of more than \$1.3M based on PLN's projections and this did not include any damages that may have been awarded. Thus, by settling now, for \$475,000, we're saving approximately \$871,000.

Given these significant savings, this monetary settlement is in the best interest of the State and we would request the Board of Examiners approval.

Governor: Just a quick question, is that a typo in the memo because it says \$613,000, in mine.

Andrea Barraclough: That was the original attorney's fees to date, that did not include the damages that were demanded by PLN.

Governor: All right. I get all that. E.K., Director McDaniel, any comment on all this?

Director McDaniel: Well, yes sir. When we were first made aware of this issue, we immediately corrected the problem. There was an original lawsuit that happened some time ago, there's a settlement conference that was agreed to but the current people in the Agency, myself included, knew nothing about it. We weren't aware that we were violating anything, or that we had a settlement. As soon as it was brought to our attention, we were made aware of it, we immediately made the changes, made the recommendation and complied with the original settlement.

What created the additional attorney fees was as they went back and said—they agreed that we've done everything we're supposed to do to be in compliance and we're doing everything that we're supposed to do, but then they wanted to recover the back attorney fees from all the time they'd spent in dealing with getting us to that point.

Governor: I just want to make sure I'm clear. There's the 2000 action and there was an agreement there to resolve that. There was a new policy that was essentially adopted at Department of Corrections to make sure there's no, what we'll call censorship in this. Time moves on and I guess, using the language that's here, in this memo got lost in time. We have this policy—so, did it drift back to where there was some possible censorship within the Department of Corrections and that was the genesis for this new case?

Director McDaniel: The way I understand it sir, or my information of it is this. Originally when the settlement agreement was made in 2000, there was an agreement made between the Director at that time and Prison Legal News that we would change the policy. The policy was

not changed and there was never a change made to that policy. We never did what the original settlement agreement, what we agreed to do. Then, it wasn't brought to our attention until 2013, then they brought it back. They didn't do anything with it—

Governor: So there was never a change in the policy, even though there was an agreement.

Director McDaniel: Not until 2014.

Governor: When you found out about it.

Director McDaniel: When I was given the lawsuit and said, this is what we need to do. Sure, we'll be glad to do that. It's not a problem. We changed it and we did everything, but then they wanted to recover their attorney's fees.

Governor: This is probably an aside, but we'll be seeing you later on at the Prison Commission Meeting. Is there going to be a regulation that will recognize the new policy that we'll be putting in action.

Andrea Barraclough: One of the injunctive terms was to alter AR 750, which is the Legal Mail Handling Policy. We've already preliminarily put some in place. Once this agreement, if this agreement is adopted by the Board of Examiners, the prison will have six months or 60 days I believe, to implement the changes, the injunctive changes that are contemplated in the settlement agreement. That would include any changes to AR 750.

Director McDaniel: The policy, the Administrative Regulation has already been changed and been approved by the Board of Prison Commissioners. That was done in 2015 or '14. The additional things that were done in this settlement agreement would then have to be added to that policy. Basically, they are processes in which we will certify the mail room officer, the people that work in the mailroom, to receive specialized training in regards to complying with the new policy.

Governor: Okay. And, obviously I was sitting on the Board of Prison Commissioners in 2014, but I don't recall this part coming up with regard to the change of that AR. As long as we are in compliance, that's what is important to me.

Director McDaniel: We believe we're in compliance. We know we're in compliance on this particular point and our current policy is in compliance. I just agreed to some additional things be placed in that policy to hedge our bet. To make sure that we are doing exactly what the stipulation calls for.

Governor: And then, typically the Board of the Prison Commissioners meets quarterly, it doesn't sound like—I mean, we're scheduled to meet in the next few days, are we going to be timely in terms of adopting an AR in order to be compliant with the settlement agreement?

Andrea Barraclough: The settlement agreement does contemplate additional time to accommodate the next Board of Prisons Meeting, so we will not be able to get that done,

obviously in the next few days, but the settlement agreement contemplates extending time out for the BOP to meet and make such approvals.

Governor: Okay, great. Then otherwise, I do believe that this settlement is in the best interest of the State and certainly, I mean, I don't think liability is an issue here. It's a matter of damages. If we can mitigate our damages in any way, we should do so. That's all I have, Madam Secretary?

Secretary of State: No, I agree with you Governor. Thank you.

Governor: Mr. Attorney General?

Attorney General: I have nothing, thank you.

Governor: All right. If there are no further questions, the Chair will accept a motion to approve the payment of the tort claim described in agenda item number 8 in the amount of \$475,000.

Secretary of State: Move for approval of agenda number 8.

Governor: Secretary of State has moved for approval, is there a second?

Attorney General: I second.

Governor: Second by the Attorney General. Any questions or discussion? Hearing none, all those in favor say aye. [ayes around] Motion passes 3-0. Thank you.

***9. FOR POSSIBLE ACTION – LEASES**

Five statewide leases were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State **Seconded By:** Attorney General **Vote:** 3-0

Comments:

Governor: Let's move to Agenda item number 9, Leases. Mr. Wells.

Clerk: Thank you Governor. There are five leases in exhibit 1 for approval by the Board today. No additional information has been requested by the Members.

Governor: I have no questions, Board Members?

Attorney General: No questions.

Governor: The Chair will accept a motion for approval.

Secretary of State: Approval for Agenda Number 9?

Governor: Yes.

Attorney General: If that is a motion, then I second.

Secretary of State: Oh, sorry.

Governor: That's all right.

Secretary of State: Sorry, yes, I made a motion, thank you.

Governor: Secretary of State has moved for approval of the leases described in agenda item number 9. The Attorney General has seconded the motion. Any questions or discussion on the motion? Hearing none, all in favor say aye. [ayes around] Motion passes 3-0.

***10. FOR POSSIBLE ACTION – CONTRACTS**

Thirty-eight independent contracts were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Secretary of State

Vote: 3-0

Comments:

Governor: Let's move to agenda item number 10, Contracts.

Clerk: Thank you Governor. There are 38 contracts listed in exhibit 2 for approval by the Board today. Members have requested additional information on the following: Contract number 1 between the State Controller and CGI Technologies and Solutions. Contract number 2 between the State Public Works Board and McCarthy Building Companies; that's the UNLV Hotel College. Contracts 11 and 13 between the Department of Health and Human Services, Division of Health Care, Financing and Policy and Amerigroup Nevada, Inc. and Health Plan of Nevada, Inc.; those are the managed care services for Medicaid. Contract number 15 between the Department of Health and Human Services, Division of Healthcare Financing and Policy and Medical Transportation Management. Contract number 16 between the Department of Health and Human Services, Division of Public and Behavioral Health and the University of Nevada, School of Medicine. Contracts 19 and 21 between two divisions of the Department of Health and Human Services and Fidelity Information Services, LLC. Contract number 23 between the Department of Health and Human Services, Division of Child and Family Services and Netsmart Technologies. Contract number 28 between the Department of Public Safety, Criminal History Repository and Morphotrak, LLC. Contract number 32 between the Department of Conservation and Natural Resources and US Geological Survey. Contract number 37 between the Public Employee Benefits Program and KPS3.

Governor: Mr. Wells, I may have missed it, what was the one between 21 and 28?

Clerk: 23.

Governor: 23. And then what was after 32?

Clerk: 37.

Governor: All right. Let's proceed with contract number 1 which is the Controller's Office. Good morning.

Controller Knecht: Governor, Madam Secretary of State, Mr. Attorney General, thank you for the opportunity to appear before you today. James Smack, the Chief Deputy will lead our presentation and can answer most of the questions.

Governor: Thank you Mr. Controller. Good morning Mr. Smack.

James Smack: For the record, I'm James Smack, Chief Deputy Controller in the Nevada Controller's Office. Happy to provide you some background about our current contract, the contract amendment with CGI, answer questions about the amendment. A little bit of background, the original contract was approved by the Board of Examiners in September 2014. This contract spelled out an outline for a debt collection system along with enhancements in collecting garnishments, bank levies and most importantly, updating our system to a more modern database.

Currently, and at the time the original contract was approved, the Debt Collection Division had been tracking and completing our debt collection activities in Excel spreadsheets. While our team has done a great job in keeping track of how much debt we have, ensuring all portions of the debt payments, such as principal, interest and fees are properly categorized and paid back to the State Agencies, or the debt recovery account; it is not efficient for actually collecting our debt during the first 12 or so years of debt collection existence within the State Controller's Office.

During the building of the system, we found the need for a number of enhancements that will assist us in our collection operation. These were enhancements not anticipated within the original contract or scope of work, yet were sorely needed to improve our ability to collect and make this a win-win for both the State and the vendor. These enhancements are the primary items that are being considered within the scope of this amendment.

I'd like to note how the contract works. It's a little bit different than a standard work agreement with the State. This contract is fully paid by the benefits received once the system has been fully implemented and goes into production. Including both the original contract amount of \$1,848,000 and this amendment of \$683,790. This means that the contract is paid off by the collection activity that occurs once in production with the expectation that the automation and enhancement provided by the new system will make it easier to contact more debtors via mail. Along with that, additional capabilities for administering bank levies and garnishments. If the implemented system fails to deliver then we will have to pay substantially less during the contract period, if anything at all. If the new system does deliver, we fully anticipate that it will, this contractor we pay with a percentage of the monies collected and deposited in to the debt recovery account. Monies assigned to the debt recovery account, per NRS, can only be used for

debt collection activity. This is not a percentage—there is not a percentage due to CGI on principal monies due to State Agencies that are not directed to the debt recovery account. These monies will be paid in full to these State Agencies.

At this point, let me pause to answer your questions and thank you.

Governor: Thank you Mr. Smack. I want to make sure I'm clear. The system is not operational right now?

James Smack: It's currently not operational. We estimate about 80% completion of the system at this present time.

Governor: You're confident that they'll be able to get this operational.

James Smack: I am confident that within the parameters of this amendment we will be able to finish the job getting the system into production and getting down to the business of collecting the State's debt.

Governor: I think I have this. Essentially, we, you, Controller's Office, will pay for the cost of this contract, they'll keep 75% of the revenue above \$5,000 per month, is that?

James Smack: The number is approximate. I think the actual number going into the debt recovery account is about \$3,800 as opposed to \$5,000. I think I was working on a little bit more general numbers, so we could use \$5,000 for argument's sake. That's the money going into the debt recovery account. That's not affecting the money that goes directly—the principal amounts that go back to the State Agencies. What goes in the debt recovery account is going to be your fees, your interest that's collected on the State debt, as well as principal amounts for some agencies that don't have the recourse agreement to get the money back to their agencies. There is about 30 or so that fall into that category. There's about 50 or so that the money, the principal money is directly returned to the State Agencies. There will be no percentage taken off of that money that's going back directly to the State Agencies.

Governor: Just to try to simplify this, do you know how much we need to recover, per month, to pay this off?

James Smack: Well, the estimates that we received from CGI, our contractor, has us ramping up to about \$400,000 per month, the first year, once the system is online, looking at about a two month ramp up period to get to that point. If we're able to bring in \$400,000 in debt and say, \$200,000 of that is going into the debt recovery account, figure about a year and a half.

Governor: So, is there \$400,000 per month of money out there that's owed to the State?

James Smack: Well, there's plenty of money owed to the State. Most of what we have is the aged debt. We have the stuff that's 60 days old or over. When I say, older, that can be older up to 20 years plus.

Governor: That's what I want to know, what's the realistic spread here? I know there's always money owed to the State, but is that overdue and collectible.

James Smack: I actually think that's a realistic number when we're able to implement bank levies and garnishments and things of that nature, that haven't been available to us before. Pretty much what our debt collection operation looks like now is, we send a couple of letters to the debtors and if they don't contact us, we don't have any kind of an outbound contact system or anything like that. What the system is going to allow us to do is, number one, is significantly increase the volume of those letters, but second of all, it's also going to, when we have eligible accounts for bank levies and garnishments, allow us to do those through an automated system as opposed to trying to do each one of them manually. The manual process right now is available to us for garnishments, but it is a tedious process. It's not cost effective based on the fact that we have five FTE in our collection department.

Governor: Do you use collection agencies?

James Smack: We do use outside collection agencies. We have three of them that we are contracted with them right now. Those contracts are going to be negotiated in 2016; we may be changing some of the outside collection agencies. A lot of our debt gets shuffled to the outside collection agencies at this point in time but the system is going to allow us to manage that a lot better. What I foresee going into the new system is that we keep more of the debt in-house and try to recover that interest and the fees on our end as opposed to losing those fees through the outside collection agencies. Will there still be money going to outside collection agencies? Absolutely. But I'd like to take our first crack at it through the State Controller's Office, so we don't lose out on a percentage of the take the outside collection agencies get.

Governor: Is it the traditional two-thirds, one-third for the outside collection agency?

James Smack: Pretty close. We have three different agencies. They all contract a little bit differently. One of them is like 18%, one of them is 30% or something like that. I think the lowest one is 18%, that we lose on that.

Governor: Okay. This will be a huge improvement over that?

James Smack: The improvement portions of this is allowing us to keep more of the debt in-house. Allowing us to be able to send out much larger quantities of letters. Be able to institute the bank levies and garnishments in house and certainly improve our collection efforts.

Governor: Again, you've only been here a year.

James Smack: Sure.

Governor: So, what has happened before this?

James Smack: You want me to go with that one or do you want to?

Controller Knecht: Have at it.

James Smack: What has happened before this is that statutorily, agencies that have turned the debt over to the State Controller's Office, once it's 60 days old or older, what has been happening up to this point is, we really haven't been enforcing that too much because many of the State Agencies have better mechanisms in house for collecting the debt than we have ourselves utilizing a manual system and process with Excel spreadsheets. What this is going to do is give us a centralized database where we can put all that debt in. We can get the reports directly from the State Agencies, bring it into the system and immediately start shipping out letters to all of those debtors. Whether we get a file from an agency that has 80 debtors in it or whether we have one that comes in with 6,000 debtors in it, we're going to be able to send those letters out virtually instantaneously and start getting the collection activity off with the letters. There's going to be some activity that just comes from the letters.

What it also does is, we can also, the ones that we can identify that would be eligible for a bank levy, we can send a different letter to them saying, you have up until this date to contact our office, set up a payment plan or what have you, otherwise you'll be subject to a bank levy.

Governor: Yes, Mr. Controller.

Controller Knecht: Supplement that, Ron Knecht, State Controller. One of the things, big picture, long-term that's happened is there's been an accumulation of a number of debtors, a number of debts owed and total dollars owed that haven't been resolved, now approaching a nominal \$100 Million. What this will allow us to do is process that, as Mr. Smack has explained, to collect what we can but also to get off the books, to write down, to dispose of that which is not really collectible. When someone is dead, when a business is gone, we need to be able to handle that and this system, when it becomes operational will allow us to handle that and process those through to completion one way or another.

Governor: Well and there's also a statute of limitations at work here that would limit your ability to recover things. Again, we've been taking a lot of time. I don't want to take too much more time. So I'm clear, the nut is to pay this thing off in two years is \$400,000 per month.

James Smack: \$400,000 per month, if we are able to achieve that number, you'd be looking at a one and half to two year payoff. If we achieve a better number, it will be quicker. If it's a little bit lower, it will be a little bit longer.

Governor: I hope we can do that, but if it is not that, the State or your office has no exposure because that's the only way that that company is going to get paid is through successful debt collection.

James Smack: That is correct.

Governor: All right. I have nothing else, Madam Secretary?

Secretary of State: You answered my question. I was asking about the payments and you're allowing people, if they need to, to make payments. Set up something, that was my only—

James Smack: Absolutely. Not only are we allowing, we're encouraging payment plans.

Secretary of State: Okay, thank you.

Governor: Mr. Attorney General, any questions?

Attorney General: No Governor, thanks.

Governor: Thank you gentlemen.

Secretary of State: Thank you.

Governor: The next is Contract Number 2, Public Works. Hi Gus. I don't have any questions about the contract itself. I was essentially just looking for a minute or two on the progress of this new building at UNLV.

Gus Nunez: Good morning Governor. For the record, Gus Nunez, Administrator of Public Works Division. Right now, the project was bid at the end of November. The contractor went through their process of scrubbing all the bids and providing us with a gross national product. We're here, the notice, once this is approved, our intent is to issue a Notice to Proceed for March. In the meantime, between now and then the contractor would be doing some mobilization into the project and buying out the job. Meaning, getting contracts out to all the subs. The contract allows for, let's see, it's an 18-month contract, construction job. We're anticipating sometime in October of 2017 to be having a Notice of Substantial Completion issued. I know UNLV intends to start, their first semester will be in the Spring semester, right after that.

Governor: So, Spring of '18, January of 2018, there will be a brand new hotel college.

Gus Nunez: Correct.

Governor: That's good news, so everything is progressing on schedule.

Gus Nunez: Yes, it's all on schedule, on budget.

Governor: Even better.

Gus Nunez: It's getting even better. We're a little bit under budget by about a half a million.

Governor: What happens to that spread there, that money?

Gus Nunez: Well, hopefully, if we don't use it, if issues don't come up between now and then or requests from UNLV come—we were able, with the way that we actually had three bid alternates in the project that were requests from UNLV. One of them was like, the Donor Wall for instance. The other one was to enhance exterior finishes and interior finishes. We were able to award all of those requests. Hopefully, if there's no more requests, initial requests to get the project done the way they would like to have it done and no other issues come up beyond the

contingencies that we have in the project, it would be saved—the last, I can't recall the—wherever the money came from. If it's bond money, it typically goes back to the bond.

Governor: It's like CIP or something.

Gus Nunez: Right. If it's General Funds, it goes back to the General Fund. It just depends where the money comes from and goes back to wherever it came from. The first money we use is always the donor money. Usually that would mean, there would be nothing to return back.

Governor: Okay. That's all I have. Madam Secretary?

Secretary of State: Thank you Governor. Hi Gus. The University System's receipts, can you explain that to me, there's 49%. And, do they have their portion, is it already there?

Gus Nunez: Yes, they actually—some of the donors are. Basically, it's over a period of time.

Secretary of State: And, that's what you call a receipt, is a donor?

Gus Nunez: That would be the Agency's contribution to the project, matching funds. And, they're doing some interim funding—Board of Regents approved the interim financing method for them to go out and borrow the money until all the money comes in. The money is going to come in over time, it's not all available right now.

Secretary of State: So they don't have their 49% all in yet, that's what they're working on.

Gus Nunez: Well, they have it to us, because the money is available from them because they have a loan.

Secretary of State: Okay, they borrowed it and then they pay it back through the donors. Okay, I was just trying to understand the systems' receipts. And then, if we could at some time, I won't take up time now, but could we find out, not just the University System, but the bonding capacity, how much have we used? How much has the University used? Is that something we can know about the State, what the different agencies and, I think that may be incumbent upon us when we're approving these, just to know kind of where we are.

Gus Nunez: We can get that information.

Secretary of State: Thank you.

Governor: This was all in the budget.

Secretary of State: No, no, I know, but I mean overall. I'm just talking about overall. Just so I have a—every time we vote on another bond or, I just want to make sure where we are and kind of look at the big picture.

Governor: All right.

Secretary of State: Thank you.

Governor: Mr. Attorney General, any questions?

Attorney General: No Governor, thanks.

Governor: Thank you very much. I don't think we'll do them at the same time. Let's take Number 11 which is DHHS and Amerigroup.

Marta Jensen: Good morning. My name is Marta Jensen. I'm the Acting Administrator for the Division of Healthcare, Financing and Policy. The first contract we're talking about is with our managed care company, Amerigroup. This amendment is to ensure that they have funds to fund the services and medical supplies through their existing contract which currently ends June 30, 2017.

We've done several amendments to the contract up until this date, but never for contract authority, since the expanded population has come on board. As you know, in December of '13, I'm sure you're aware, our existing Medicaid population was approximately 323,000 people. Once the expanded population came on board, we jumped up to 609,000 as of December 2015. 82% of this population has gone into managed care. The majority obviously live in Washoe County and Clark County.

The benefit of this expanded population, one, of course, we did receive enhanced funding, federal funding; but actually, the benefit to the population is what we're most impressed with. These individuals did not have insurance in the past, so they have availed themselves to these services. What we're hoping is, once they get the urgent nature taken care of they can now start focusing on the preventative, the early intervention services going forward.

This increase is also not just for the expanded population but it's also—we did some benefit changes. We implemented the ABA, the Applied Behavioral Analysis, effective January 1 of this year. We've also done a revised rate methodology for the neo-natal infants. Then we've also done the analysis for the rate increases that were put in for the last legislative session where we had access to care issues. Let's see, acute inpatient mental health services. Then we did a physician rate increase, hospital increase and then also in-home health.

Like I said, for Amerigroup, just for some statistical purposes, they currently have 41.98%, almost 42% of all of our enrolled MCO population. I do have them here if you'd like to ask them questions specifically.

Governor: All right. Thank you Ms. Jensen. Part of the reason I called this forward is, it's a \$773 Million amendment. That's because of the increased population, I get that. Mr. Lloyd, good morning.

Eric Lloyd: Good morning.

Governor: I guess this is the opportunity to find out, how is it going? With some of the things Ms. Jensen described in terms of the increase in the payments to the providers, the expansion of

eligibility for individuals to get the coverage they need. Frankly, I'm curious, are you seeing what Ms. Jensen talked about? These are individuals that previously did not have health insurance and likely received their health insurance in the emergency room. Now they are in a managed care system. Are you seeing, first an uptick in care and then once they get into your system doing exactly what Ms. Jensen talked about in getting more into preventative and sustaining type treatment versus going to the emergency room when things are at their worst?

Eric Lloyd: Great questions. For the record, Eric Lloyd, I'm the President of Amerigroup Nevada. Yes to your point Governor I think that many points that you just brought up are exactly what the managed care has proven that can benefit the constituents in the State of Nevada. I think that we have to look at where we were pre-ACA and post-ACA. The population has dramatically changed from your typical moms and kids to one that now include childless adults, homelessness, substance abuse, mental health and a variety of psychiatric needs. Through a partnership with the Division of Health Care, Financing and Policy, I believe that we've been able to create solutions and innovative ideas that have truly enabled the emergency room visits to decrease significantly, but then provide innovative solutions that allow the members that were previously uninsured and had no true mechanism to access care, a better environment and truly more beneficial access point for them, for their care going forward. Yes, I full heartedly support and believe that the partnership we've had with the State has been very beneficial for the constituents of Nevada, but more importantly decreased the uninsured rate from 23% down to 11%. We applaud you, as Governor, for making such out on a limb decisions. We believe that's paid off significantly for the State.

Governor: And then the other thing I'd love—thank you by the way, I'd like you to explore as well the savings versus managed care and fee for service and why that it's better.

Eric Lloyd: Yeah so, I think that that's a great question. There has been a study that was commissioned by the Department. UNR conducted a study that demonstrated there was significant savings in managed care. It even increased it more for high acuity populations. We believe that not only has the savings accrued but benefits to the members and quality of life has improved significantly. You talk about folks that were truly homeless, that were in shelters. They are now finding alternate housing, alternatives that we believe not only has the savings improved, but equally the quality of life has improved for those members.

Governor: I'm glad that you brought that up. It also applies to children. Their ability to make it to school and be healthy, it increases attendance and improves the health for some of these individuals so they can go out and get a job. All of those things. That's how you make your money, isn't it, on doing the difference between the fee for service and the managed care?

Eric Lloyd: Right. Well, I think the names mean a lot, right. Fee for service is basically a fee for any service. Care is not managed in a fee for service environment. With that goes the responsibilities that we take very, very seriously to manage the taxpayers funds as best that we can. We know that through our innovations and our initiatives that, like I said, the quality of life for these members are improving. The recidivism, back into the hospitals and the emergency room is decreasing dramatically. I think that we're seeing significant improvements in the health of the State of Nevada.

Governor: And then, last thing, I'm trying to be respectful of everybody's time. I'm a single childless adult who formerly was not eligible for Medicaid. Under the new regime, I am. So, I go through and perhaps it's through the Exchange or what have you and I'm assigned to you. What happens next? I'm not a healthy person and I haven't been taking care of myself. I've gone to the emergency room a couple of times when things have gotten to a critical stage. How is my life different now?

Eric Lloyd: Well, I certainly hope that's not personal [laughter]

Governor: I'm not single and I have three kids. I'm good.

Eric Lloyd: I guess really what I touch upon in that example is, where that individual resides, you make a good point they can go into Medicaid, they're eligible now for Medicaid or the Exchange.

Governor: Yeah, but let's—I don't want to get into the Exchange, let's just assume I'm on Medicaid.

Eric Lloyd: I think that that goes back to the question that you had earlier about the difference between fee for service and managed care. In a fee for service environment, that person would be pretty much on their own to find and really work out their healthcare. In a managed care environment, we take it as a serious important step in our role is to make sure that person's care is managed. Whether they have high acuity or they have exacerbations. Whether they have chronic conditions. And, ensure that that member's care is being coordinated in such a way that the services that are important to make that person's life more productive and healthy are being afforded to them through the coordination of services that we administer for them.

Governor: So, in other words, I go through that initial treatment and do you call me up and say, Brian, you were supposed to follow up and you didn't, or how do you make sure I'm taking advantage or getting the care that I need so I don't fall back into that critical situation?

Eric Lloyd: That's a great question. Either through service coordinators, care management or care coordinators that we employ, we make sure that that member's care is being followed up and managed and continue to identify things that will benefit them in the future to prevent potential reoccurrences of those ailments or services.

Governor: So, are you seeing the utilization come down once that initial treatment occurs?

Eric Lloyd: After initial interaction, yes. Obviously, utilization went up when that population hit. There was a spike in utilization, but now we're starting to see that start to moderate and improve. Our statistics show that we are making significant improvements on their lives.

Governor: And you said that we've gone from 23% uninsured to 11% uninsured?

Eric Lloyd: Right.

Governor: I think that puts us in the Top 5 in the country for most improved State, is that right?

Eric Lloyd: Do you want applause? [laughter]

Governor: No, not for me. For all these folks that are getting better care. Are getting care, not better care, are getting care.

Eric Lloyd: I think that the important point of that is, it's not just a certain cohort of members that are really getting care. You mentioned young single adults, you mentioned members that have chronic conditions. Mental health and psychiatric care was a very important challenge for us to tackle. I think we've done an effective job at making sure that those services are becoming available, through the partnership with the Division of Health Care, Financing and Policy, to make sure that those services are now being rendered to those individuals that didn't have that opportunity before.

Governor: We could talk for hours on that. But, part of that was increasing the reimbursement rates from, what was it, \$400 a day to \$800 which opened up those private beds.

Eric Lloyd: \$944.

Governor: \$944, which obviously has taken the pressure off of UMC and its waits there. They were up to 200. I don't know what the census is today of those waiting for treatment, but my understanding, it's in the teens. We keep a historical—we do watch it very closely and it's allowed us to open more forensic beds at Rawson and Neil, in order to address that population as well. Again, I'll leave that talk for another day. Madam Secretary, any questions?

Secretary of State: Yes, thank you Governor. The one thing that comes to mind for me is with the increase of clients that you have is the increase of doctors that are needed. Have you found in Nevada that we've been able to take care of that? Have you gone to any other lengths of having para-professionals? What is it that you have been able to do? I know we have a shortage of doctors, so I know it's got to take a toll on what we're doing.

Eric Lloyd: Marta, do you want me to take that?

Marta Jensen: Do you want to talk about it from the MCO perspective, then I'll ask Eric to take that?

Secretary of State: However you want to address it is fine.

Eric Lloyd: I think it's important to step back and look at the two geographic areas that we participate in. Obviously Washoe County and Clark County. The needs are greater in Washoe County, just by the pure numbers of available physicians. Reimbursement rates were a big issue for physicians. In the last legislative session, we addressed that. I think that is making a significant improvement on those going to participate. We are also looking at innovative ideas and looking at para-professionals and mid-level professionals and non-clinical teams that can do

many of the necessary front end work to off load some of the pressures on the Provider Type 20s or the physicians and orthopedics in the State.

So, I think, yes, to your point, there still is an issue with the number of physicians, but through partnering with managed care, I think that we have been able to identify other ways of managing the population that can hopefully mitigate or offload some of the pressures on the physician community.

Secretary of State: So, with that being said, I'll just take this last one and we can talk afterwards because this is really very, very important. The critical need that I've always seen is the mental health. I mean, that without saying, I guess. Is there another area that there's a critical shortage with doctors?

Eric Lloyd: Well again, in the north versus the south—

Secretary of State: There's a difference.

Eric Lloyd: Yeah, I mean, ENTs, pediatric orthopods, allergists, significant gaps in the north. In the south, I mean, we have a need for additional psychiatric positions and [crosstalk]

Secretary of State: It's the mental health which I—yeah.

Eric Lloyd: It is mental health, but substance abuse and—

Secretary of State: So, treatment programs. Okay.

Eric Lloyd: Social services.

Secretary of State: Thank you, thanks for letting me go there, I appreciate it.

Governor: Of course Madam Secretary. Mr. Attorney General, any questions?

Attorney General: [silence]

Secretary of State: So, is that for you or me?

Governor: I don't know when we lost him.

Secretary of State: So, does that mean they're calling back?

Governor: Yes.

Secretary of State: Okay. I couldn't—it looked like, I didn't know if somebody was calling or if they just keep calling back in when they know they're disconnected.

Governor: Mr. Attorney General, how much did you not hear of that?

Attorney General: I think we heard all but the last minute or so.

Governor: All right, do you have any questions Mr. Attorney General?

Attorney General: I do not.

Governor: Eric, last question, hopefully Health Plan of Nevada has been listening, so you can take us through that when they come up, but important policy issue with regard to this provider shortage. How much do you think of that is because of reimbursement rates, versus just not having the men and women to perform that service?

Eric Lloyd: I think it's a complicated question. It involves both. The work that we're doing at the School of Medicine and the other Schools of Medicine, Roseman, Touro and obviously UNLV are going to help address that. Obviously the priority is to keep the residency in Nevada. That's usually where they do their work.

Reimbursement, anecdotally, we hear is lower than the contiguous states around Nevada. I think that it's a matter of identifying the appropriate volume for certain physicians and allowing them the tools and the resources that we have available for organizations to find alternatives to just doing medicine the way we have done in the past. I think that's being well received in the community. I think that pretty much addresses your question.

Governor: Again, I don't want to take a lot of time, we're trying to work both ends against the middle. So, we are opening a medical school at UNLV. We have Touro, we have Roseman. We've done the GME and we've added \$10 Million to that to encourage those and incentivize the residents to stay here. At the same time, it takes years to graduate medical students and to get them through their residencies. In the meantime, we still have this issue. I guess what I was getting at, we hear it all the time, or I hear it all the time that the reimbursements aren't sufficient and we're going to look at that in the cycle. I'm just trying to get a feel for how acute that is.

Eric Lloyd: We're challenged by the different models that are used by California versus Arizona versus Washington or Oregon. I think that when you look at a straight fee schedule, Medicaid Fee Schedule Reimbursement, Nevada has historically been low. Whether, as a result of the legislative improvements that we've seen will influence that, I think time will certainly tell. Again, managed care organizations have the ability to reimburse providers in such a way that creates other incentives, like improvements in quality, improvements in access. Utilizing para-medicine which we talked about before. So, I think that there's a variety of ways that we can address the issue and we're here to be that good partner to make sure we're doing that.

Governor: Thank you very much. I have nothing further. Madam Secretary?

Secretary of State: No, I'm good.

Governor: Thank you. So, why don't we have the Health Plan of Nevada come forward.

Marta Jensen: While they're coming forward, again this is Marta Jensen, just to give you some of their statistics. The overall caseload for managed care is 71% across the State and Health Plan of Nevada has 58% of that population statewide. They're on their way.

Governor: Good afternoon. So, if you would identify yourselves for the record. You had the opportunity to listen to the questions I had for Amerigroup. I'm kind of looking for the same thing from you and hear about your experience and what you're view of the lay of the land is with regard to this area.

Don Giancursio: Sure. Thank you Governor, Board of Examiners. For the record, my name is Don Giancursio, I'm the President of Health Plan of Nevada and the CEO for United Healthcare, Nevada Operations.

Kelly Simonson: Kelly Simonson from Health Plan of Nevada, the Vice President of Medicaid Operations.

Don Giancursio: Governor, I'd start by echoing a similar comment that my peer made about your leadership and the decision making that you've embraced when the Affordable Care Act was passed. All the politics aside, the right thing to do for Nevada was to deal with the high percentage of uninsured that we had. Today we have more than 250,000 residents in our state that have insurance coverage that didn't have it before. That's the plus. The big challenge, I think for our community has been access to care. To kind of dovetail on some of the questions you were posing to my peers at Amerigroup, it's a challenge. It's a challenge that I think is probably more heavily weighed around reimbursement, from the provider's perspective, than it is anything else.

There are several things that we've done to try to enhance access, but clearly it's been a challenge for our population, since before the Affordable Care Act passage. It's had an impact on all the lines of business, not just the Medicaid business per se. Even though the Medicaid beneficiaries are the largest enrolled population as a result of the expansion.

There's a few things that we've done, I'd like to share with the Board, as it relates to attempting to deal with the challenges we have in access. I kind of preempt it by saying, you know, we historically as a state were pretty much in the lowest of low ranges when you looked at access to primary care per capita. We were in the 48s, 47s. Certainly that's not a desirable number. That's something that we need to work hard at trying to fix. Today we're probably closer to 46. We still have a challenge of recruiting physicians to the community and may be in a broader scale, another discussion, another time, there could be some reciprocity conversations with other states. There could be some way to expedite licensing so that we can encourage physicians to come to our great State and practice. Yes, there's a lot we're going to do with the medical schools, universities, the smaller ones as well as the larger ones, but that's a step on a path to getting us to a community where we have broader access for the residents, regardless of whether they're on Medicaid, a commercial plan, Medicare, it doesn't matter. That's something I think we need to address more locally.

Here's what we've done since the transition to the Affordable Care Act and the growth in our population. We're very privileged, we have our operations here in the State. We currently

employ about 4,000 people. Most of them, about 2,800 is in our clinical delivery business. Southwest Medical, Optum Care, down in the southern part of the State. They operate a whole network of clinics, urgent cares. They care for the majority of our members. The majority of the members with the Select Health Plan, select Southwest Medical for their primary care and some of their specialty care in non-invasive areas.

In the past 18 months, we've opened five new brick and mortar clinics. Predominately smaller clinics from our historic larger medical center type environments. We've opened five new clinics, predominately in the geographic areas where we see high concentrations of our Medicaid beneficiaries.

We continue to recruit and hire physicians. Obviously it's a long process, but we have over 350 physicians and that's probably about 100-110 or so more than we had prior to the passage of ACA. That's been a full court investment by our Optum Company, which is the umbrella that Southwest Medical falls under within United Health Group.

Our clinics have gone to extended hours to try to meet the needs of this population as well as all of our insured population, but predominately for our Medicaid beneficiaries. One of the challenges that we have and you had proposed the question to my peer—you enroll, you're determined to be eligible for Medicaid. What type of outreach do you do? What do you do to try to engage that individual in becoming responsible, learning the system? Because for many of these individuals, they've never been in a system. They don't know how to access care. They only know where the emergency rooms are. That's an educational process. We have a full outreach that happens when an enrollment occurs. That's done through our organization, to reach out to try to schedule appointments. In many cases where we're successful scheduling appointments for these individuals, the no-show rate is as high as 40%. So, these are clinical spots that are reserved for these members and what we find is, in 40% of the cases, they're not showing up for their appointments.

So we dig deeper, we try to understand why. There's economics involved. They don't have transportation. It's one thing to make an appointment, it's another thing to get there. Not all of them have access to the bus lines. Even though we've put the majority of our expansion clinics in those highly demographic areas where we have the geo-access that suggests that's where they live, we feel we need to reach out more aggressively to them.

Here's what we've done in addition to expanding brick and mortar. We've launched our tele-health centers, which we began in 2014 for our commercial population. We launched that in December of 2015, made it available to the 230,000 plus Medicaid beneficiaries that we're privileged to serve.

In addition to that, and that's going to have its own adoption rate. We know that and data suggests that some of these folks may have difficulty making ends meet but the majority of them do have a mobile device. If there's a way that we can at least identify and screen through tele-health, the key things that we need to get done in terms of preventative care, try to close gaps in care, get them in, get them educated; eventually that's going to bend the cost. That's clearly got to be the objective in what we're shooting to do, as well as what my peers suggested.

What we have also done and we will launch, it will be here February 1st, 2nd, the actual artistic work of it is being done. We had a mobile clinic built for us in Texas. It's going to be delivered here. It's state-of-the-art. By definition, we have some pictures we can leave behind. It's a 45 foot, expands out, both sides type of a recreational vehicle kind of thing. Not like a Monday Night Football, but it is a full suite. It's got two exam rooms. It's got a radiology room. It's got a lab draw station. It's going to be staffed with physicians, nurse extenders, RNs, security guard and a driver. That vehicle, we made the investment, I made the decision to put that vehicle on the road and go to the communities. If these individuals can't get to us, we have an obligation to try to get to them. That will be deployed in the first quarter, here in the next month or so. We're hoping that this will be an opportunity to get more of them in and in the process, educate them. Get them through all the preventative screenings, identify the disease states, get them into the right disease management programs. Whether it's diabetes, CHD, COPD whatever it might be, because we know they're there.

Probably some of the bigger challenges we have are around some of the substance abuse and mental health. It plagues this population. There are some things that Kelly and her team are working on, I'm going to ask her to just comment real quickly, to spare the time. Some of the learning and initiatives we launched elsewhere in the country, in our Medicaid programs, we're importing them here to Nevada. To try to find some best practices we can deploy inside of our four walls of the State to try to help this population.

Kelly Simonson: Just really quickly. When we look at this population, what we're finding is, there is a fundamental issue with, basically Maslow's Hierarchy of Needs. There's a housing issue and Medicaid doesn't fund for housing. We're finding that, in order to complete their medical care, we need to provide housing to our most disadvantaged members. For example, people who are languishing in the hospitals who still need care or they need antibiotics but they're homeless. Historically, if they had a home, we would send them home with home health, we provide services. We can't send people to the streets. We have contracted with the Transitional Housing Unit that has 11 beds. We send people there to finish their care and we have home health nurses that go in and do the care. There are dieticians that go in and teach them about their diet and their health education needs. Social workers who, our goal is to stop their recidivism of going into the hospital, stop going to the emergency room, calling 9-1-1 and hopefully transition them from homeless to home. We've done that on several cases. We've had 61 members, since April that have used this service and we have transitioned a handful of them from homeless to subsidized housing units. That's one of the programs that's been successful.

Governor, you also asked a question about a program you were accustomed to using the emergency room, what do we do for you? We have nurses that we've employed for this program that see the member when they're in the hospital, prior to discharge, whether it's the hospital emergency room or an urgent care center. The goal is again, to take those members and make sure that they have all of the pieces that they need to be successful at home. So, is it housing or is it DME equipment, a well-care pharmacy to make sure they have their medications. Connect them with a PCP. That's our ultimate goal is to stop patients from using the ER and let's get them into the PCP so we can identify gaps in care and keep them healthy. That's another program.

We look at the mental health issue, as we all knew about the articles in the paper regarding emergency rooms. We started a rapid response team that could go in and evaluate the members. In 2015 we evaluated and moved more than 3,500 members. We also looked at substance abuse. We have members who weren't successful in a traditional substance abuse prevention program or treatment program. We have started working with sober living homes where we can again, provide stable housing so that we can get them in an environment where they can be successful. They get their treatment, but then we're paying for the housing so that we can get them to a point of self-sufficiency. While they're in the housing, they're working on employment, to try to get them to be productive members of society. Same thing for the extremely mentally ill or severely mentally ill. We've contracted with group homes on the behavioral health side and we pay for them to stay in the group home while they're getting all of their treatment and provide them with the social services, so that again, we can get them to the point where they're more self-sufficient.

Those are just a few of the programs. We have many that we have adopted over the last year to try and bend the cost curve, improve health outcomes and increase access to care. We feel like those are our three holes with our community. We have a handout that we can leave with you on some of our other programs, just a few of many that we are implementing.

Governor: Thank you, you're very thorough and I appreciate that. Ms. Jensen, anything that you wanted to add?

Marta Jensen: No Governor.

Governor: Madam Secretary, any questions?

Secretary of State: None, thank you.

Governor: Mr. Attorney General, any questions?

Attorney General: No thank you Governor.

Governor: All right. Well, I appreciate you being here today. It was very helpful. This is a \$1 Million contract. I mean, \$1 Billion and I think it's important to make this record as to where this money is going and why it's going there. I appreciate your attendance today. Thank you. Are you here for 15 as well? All right. I know this is a new contract and there's a new provider here. I'm not going to get into the process. I think the process was sound in terms of how we got here today. I guess my question is, is part of this transportation, you heard the testimony on Medicaid. Are Medicaid individuals eligible for getting transportation through this contract?

Marta Jensen: Both fee for service and managed care would receive services through this contract. This contract is due for—it's a two year contract with an option for two years after that, but as you know, we are kind of looking long-term, what are we going to do with managed care, are we going to expand it throughout the state? Are we going to reduce carve outs? So, this would be one of the options we would also look at if this may fall under managed care. Right now it is separate.

Governor: And this entity can subcontract with any entity it chooses, correct?

Marta Jensen: Yes.

Governor: So, they can hire a taxi company, Uber, Lyft, or whatever, just to make sure that—

Marta Jensen: It all depends on the medical need of the recipient. They are required to find the cheapest method as long as the recipient's needs are met.

Governor: Oh, of course. Yeah, it could be—

Marta Jensen: It could be taxi, it could be bus. It could be chartered aircraft. It could be all sorts, depending on the medical need.

Governor: Okay. And, I guess while you're here, in terms of how we got to this place for this provider and the process by which this entity was chosen, Medical Transportation Management, there were no issues associated with that process, were there?

Marta Jensen: I don't believe so Governor.

Governor: Why don't you—yeah.

Marta Jensen: [crosstalk] Attorney General. It appears to be a routine procurement under Chapter 333 of the Nevada Revised Statutes. No proposer took an appeal from the contract award.

Governor: All right, that's all I need. Madam Secretary?

Secretary of State: Thank you. The only question I had is, I just wanted to find out if the group, the MTM, do you have the transportation options that the Governor mentioned lined up already? Have you had agreements or do you have agreements with the taxi, all of the, Lyft, Uber, I mean, all of the ingredients that we now have? Has that already been taken care of?

Marta Jensen: I believe it would be in process. The contract doesn't go in to effect until July 1, 2016. So, the transition would now start occurring, but I believe that during this period, they reached out to certain providers within the community and secured their assurances that they would enroll with MTM.

Governor: That is just a policy issue. I mean, that really concerns me with regard to that 40% no-show rate. The reimbursements are an issue, but the reimbursement for a no-show is zero. That's really harmful to the provider, obviously.

Marta Jensen: It is. So, we do have to do more education with our recipient base so they understand the responsibility of accepting this insurance.

Secretary of State: Thank you.

Governor: Any other questions? None, all right. Thank you very much. Mr. Attorney General, did you have any questions?

Attorney General: No, thank you Governor. You covered them all.

Governor: Thank you. 16, was that yours Madam Secretary that you asked to be—

Secretary of State: Attorney General.

Governor: Oh, the Attorney General asked for this to be held.

Attorney General: I'm good on this one now Governor.

Governor: All right. [crosstalk] No, thank you.

Secretary of State: Run, run fast.

Governor: And, I'm good on 19 and 21.

Clerk: It's for the Attorney General.

Governor: Oh, okay. Mr. Attorney General, are you okay on 19 and 21?

Attorney General: Did you hear me, I'm sorry, I am.

Governor: Oh, okay. All right. So, whoever is here for that, you're okay.

Secretary of State: You're okay.

Governor: I see big smiles. Yeah. All right, that brings us to 23, correct?

Clerk: Attorney General.

Governor: Yeah, Mr. Attorney General, on 23, you'd asked for that to be held.

Attorney General: Yeah, I just wanted a quick record made on the sole source.

Governor: All right. We have somebody here from—

Kelly Wooldridge: Hi, I'm in Vegas today.

Governor: All right.

Kelly Wooldridge: This is Kelly Wooldridge and I serve as the Deputy Administrator for Children's Mental Health for DCFS. This was a sole source contract because Netsmart has been our vendor. They currently are our vendor for our electronic medical record. They are the

vendor for our sister agency, Public and Behavioral Health as well. This contract was just to enhance what we are doing with Children's Mental Health in electronic medical record to put us on the cloud, have Netsmart be our host on the cloud; which will increase efficiency for, not only staff, but for our families. Staff will have access to their electronic medical record in the field. Then, the second piece of this contract was giving us the ability to scan documents into the electronic medical record that we have right now so that we have easy access to all of the clients' medical records.

Attorney General: And it's in your opinion that you need to sole source this company?

Kelly Wooldridge: Yes. Yes.

Attorney General: Okay. I'm good Governor, thank you.

Governor: All right, thank you Mr. Attorney General. Thank you very much. 28 next. Good afternoon.

Julie Butler: Good afternoon, Governor, Members of the Board of Examiners. For the record, I'm Julie Butler and I'm the Division Administrator for the Department of Public Safety, General Services Division. The Morphotrak contract is to replace 23 life scan machines that existed in booking facilities statewide, both in state and local county jails. Erica Souza is my contracts person and repository manager and she facilitated the execution of this contract. She can answer any technical questions that you might have.

Governor: Maybe I didn't call this up for the right reasons. Is this exclusive of the backlog on the repository?

Julie Butler: Yes.

Governor: It is?

Julie Butler: Yes. This contract has to do with the fingerprint machines, when somebody is arrested and booked into jail, statewide or into state custody through the prisons. It replaces those fingerprint scanning machines and facilitates the transmission of fingerprints electronically to our office.

Governor: So it's pretty straightforward then.

Julie Butler: Right. I was told however that you had some questions on our disposition backfill.

Governor: Yes.

Julie Butler: So, if you do—[crosstalk]

Governor: While you're here, yes. Just very quickly. I know it's all hands on deck with regards to getting this done.

Julie Butler: It is.

Governor: We've made a substantial amount of progress given that, I think there were close to a million cases that were thrust upon you in a very short amount of time.

Julie Butler: That's correct Governor. Julie Butler again for the record. So, it was identified back in early 2014 that we had approximately 800,000 dispositions that had not been submitted to the Criminal History Repository for entering the criminal history. As we started really delving into this, courts discovered more dispositions that had not been reported. At its peak we were at nearly 900,000 dispositions back in July 2014. As of December of 2015, very happy to report that we've cut that number in half. We are now at, as of today's date, yesterday's date, 438,637 dispositions remaining to be entered. We did approach IFC back in June of 2014 and requested authority for 20 additional positions and then we got a grant for 10 more. We have 30 positions working three shifts, five days a week, to address this. We do have five vacancies right now, all of which are in active recruitment. We're keeping it up. Ms. Souza's staff here has done a phenomenal job in getting these dispositions entered and moving us forward.

Governor: If you use the same calculus, it's possible that we could be caught up by the end of the year?

Julie Butler: It's certainly possible. I hate to over promise and under deliver, so I'm going to keep with my original estimate that we estimated in 2015, Fiscal Year 2018. Certainly at the rate that we're going, it looks promising.

Governor: I really appreciate your hard work and everybody that's associated with this. It surprised a lot of folks that there were close to a million cases that had not been turned over to you to get that done. That had accumulated over many years. Obviously it's important for the criminal justice system and everything, and public safety to get caught up. I appreciate the Legislature's support for the new positions. It sounds like you do have all the resources that you need to get this accomplished.

Julie Butler: We do. Thank you very much for the Budget Division's support and for the Legislature's support on this issue.

Governor: All right, thank you.

Secretary of State: Can I ask one—

Governor: Madam Secretary.

Secretary of State: Thank you Governor. When you do the fingerprinting, when you go out, is this a national—do you go further than national? Do you just go within State? How far do you

go with the fingerprinting? What other agencies do you touch? You send them obviously to find out if they're in another state, I would hope that it goes nationwide.

Julie Butler: We do. Julie Butler, again for the record. We are a Member of the Western Identification Network which is a consortium of eight western states that shares a fingerprint identification system. That database has about 30 million or so, fingerprints on file.

Secretary of State: It's pretty hefty.

Julie Butler: I think it's pretty hefty. We submit our fingerprints through that shared fingerprint identification system and then up to the FBI. Those fingerprints also are cascade searched through the Department of Homeland Security. Once they hit the FBI, they're also searched through Department of Homeland Security's IDAT database. It's a very extensive network that has taken us several years and a lot of money to build. Again, appreciate the support.

Secretary of State: So you work with the other police forces within the State to help put anything through?

Julie Butler: That's correct. So yes, the process would start upon arrest and that individual is taken into the local jail for booking. Those fingerprints are transmitted electronically through these machines that we're procuring today, up to our office and then through the Western Identification Network and on to the FBI.

Secretary of State: So it's only if you've been arrested.

Julie Butler: Correct.

Secretary of State: There isn't any crossover with when employers send people to be fingerprinted, it doesn't go through the same type of a process.

Julie Butler: It does. I'm going to turn it over to Ms. Souza-Llamas and she can explain how that works.

Erica Souza-Llamas: Hi, Erica Souza-Llamas for the record. Julie pretty much hit the points right on. The civil applicants go through the same process. They come through, whether it's live scan electronically or the fingerprints are manually mailed in to our offices. We search them through the same WIN database and forward them on up to the FBI for searches and responses as well.

Secretary of State: Okay, great. Thank you.

Governor: So, that's all the employee background checks, correct? So not only are you catching up with this backlog, you have the employee background, the gun checks, everything.

Erica Souza-Llamas: Right and there's a definite nexus there because obviously the more complete our records, then we don't have to delay somebody in a background check because

we're searching for a disposition or we don't have to delay somebody for a firearm because we can't find a disposition. So, it all does definitely tie in. The more complete our records are, the better it is for everybody.

Secretary of State: Thank you. Thank you Governor.

Governor: Thank you. Mr. Attorney General, any questions?

Attorney General: No, Governor, thank you.

Governor: Thank you very much. All right, I'm good on 32. Sorry if somebody was here. I think I saw Jason, were you here for that one Jason? And, just in the interest of time, I can meet with you privately on this. Thank you very much. I apologize for your time. We'll move to 37, is that correct?

Secretary of State: That was mine. I'm just wondering. I think we have Damon, if he's here. He was just going to come up—thank you very much for calling me, I want to also, Governor, thank your staff, they were very, very good in helping me through some of these that I didn't have to call out and getting me answers. If you would, Damon, you were very good in going through this with me. I had my questions and you said you would just briefly go through it again for the record. I really appreciate that. I won't elaborate anymore on that, but he was willing to come and put it on the record.

Damon Haycock: No problem. Damon Haycock for the record, Executive Officer, Public Employees Benefits Program. With me, Celestena Glover, our Chief Financial Officer who can answer additional questions if they come up. As you mentioned Madam Secretary, we had that phone call and you asked specific questions regarding the funding mix for this contract. Specifically it was called out that there was a state subsidy and premium revenue that is paid for by participants.

The Public Employees Benefits Program is funded primarily through premiums that we collect from participants and employers through the subsidies that they provide; whether it be the State of Nevada, a non-state jurisdiction or any of the other pay centers. The amount that you see here is a traditional split that is averaged over all of the different tiers and the different subsidy levels that are approved at the Legislature every two years. We of course, want to place what the financial costs and the requirements are for this contract, but like everything else at our Agency, we are funded by those premiums or by reserves if we have extra every year.

Secretary of State: That's what you're using this for right now is from reserves?

Damon Haycock: What we are using on this, there was some contractual savings through some aggressive and appropriate contract renegotiations that we were able to leverage those funds and use them for this specific website overhaul.

Secretary of State: And you also elaborated that you thought they'd build it, set it up, they would be able to train you and your staff to continue with the maintenance of this particular website that you didn't feel that you had the expertise within.

Damon Haycock: That is correct. We did not have the resources to do complete full on website development. We were following suit from other state agencies around the state that had utilized similar vendors to do website overhaul. Basically to modernize the system to increase transparency to increase our level of communication. We originally contracted with this firm late last year. One of the first things they performed was focus groups with our stakeholders to determine what type of communication they wanted to see and how they wanted to receive it. From that, we developed a need for other additional tools. Whether it be website videos on how to utilize the services at PEBP or whether it be plan comparison tools so when open enrollment occurs in May, individuals and participants have the ability to determine what is the best plan for their healthcare needs.

Secretary of State: And as I explained to Damon, Governor, I was concerned about the employees paying their premiums going for a website. That's when he had explained to me that this is with vacancies, but the terminology was there. That's what I needed explained just for the record, and I thank you very much for allowing me to do that.

Governor: So, in other words, it's an effort to make it more user friendly, correct?

Secretary of State: Yes.

Damon Haycock: Yes Governor. Exactly.

Secretary of State: Thank you very much for being here today. I appreciate it.

Governor: Thank you.

Secretary of State: Okay, I'm done.

Governor: I believe that completes the Member requests for hold-outs on contracts. If there are no further questions, the Chair will accept a motion to approve Contracts 1-38 as described in Agenda item number 10.

Attorney General: Move to approve.

Secretary of State: I'll second.

Governor: The Attorney General has moved for approval. The Secretary of State has seconded the motion. No questions. All in favor say aye. [ayes around] Motion passes 3-0.

***11. FOR POSSIBLE ACTION – MASTER SERVICE AGREEMENTS**

One independent contract was submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Attorney General

Vote: 3-0

Comments:

Governor: We'll move on to Master Service Agreements. Mr. Wells.

Clerk: Thank you Governor. There is one Master Service Agreement in Exhibit 3 for approval today. You had requested the Education personnel provide you some additional background.

Governor: Again, in the interest of time, this is a significant contract. This essentially is \$20 Million to provide personal learning devices for every middle and high school student and teacher in the State associated with the Nevada Ready 21 Plan. This is a contract that will allow us to execute on a very big portion of improving the quality of education in Nevada.

Secretary of State: Can I just ask Governor, is this something that is going to happen all at once or is it a gradual investment? Do you know? And, I apologize, I just didn't know how the \$20 Million was going to be spent. If they're going to spend it all at once or.

Mindy Martini: Hello. Thank you, for the record, I'm Mindy Martini, Deputy Superintendent for the Department of Education. With me is Andy Jorgensen who can answer that question. I believe it starts at middle school and then the idea is to ratchet it up and get it through high school.

Andy Jorgensen: Yes, good morning. Andy Jorgensen for the record. The initial funding will allow us to do about 25,000 seats, which will be teachers and students and other staff members at each school.

Secretary of State: And again, all at once? Is this something that's going to be in 2016 or are you going through 2017, '18? How long will it take you to spend \$20 Million?

Andy Jorgensen: We're authorized to spend it over this current biennium. We'll start deploying machines to teachers this Spring and then to students the following Fall semester.

Secretary of State: Okay, thank you.

Governor: Is there a lot of excitement for that?

Andy Jorgensen: Oh yeah.

Mindy Martini: A lot of excitement, yes. It's a huge program, we were so fortunate, so yeah.

Andy Jorgensen: Yeah, we're really excited. This participating addendum is for a comprehensive package of goods and services. It's not just devices.

Secretary of State: Training.

Andy Jorgensen: Yeah, professional development, wireless networks for schools, and a number of services necessary to ensure a successful implementation. Professional development for teachers, project management, warranties, service, repairs.

Secretary of State: And make sure you let me know on the rural areas, where I can't really get a lot of internet, that when you get it, I can share with you?

Governor: So, if I'm a high school student in Austin, which there were four and I get one of these devices, there will be sufficient Wi-Fi for them to be able to take advantage of the tablet?

Andy Jorgensen: Yeah, in the school building there will be—this happens to be a notebook computer, laptop, form, but yeah, we're starting deployment in middle schools. Then the plan is, once we reach all of the middle schools in the State, we would start on high schools at that point.

Governor: I'll correct it, the Austin Junior High School. [laughter]

Secretary of State: So, does the student gets to keep this all the way through their—or, do they just keep it for the grade that they're in and they get a new one each year? How are you doing that?

Andy Jorgensen: They would keep it for their middle school career, at least. Assuming they enter in sixth grade and they're issued a computer, they'll keep it for the three years that they're in a participating school. If they were to move schools, they can take their computer with them, if the school was a participating school. It's a little bit odd at first because we're rolling it out, but once it's statewide, it should be pretty seamless.

Secretary of State: Okay, thanks.

Governor: Any other questions? Thank you and good luck. I look forward to hearing a report back on this one.

Andy Jorgensen: Thank you.

Governor: If there are no further questions, the Chair will accept a motion for approval of the Master Service Agreement contained in Agenda item number 11.

Secretary of State: So moved.

Governor: Secretary of State has moved for approval. Is there a second?

Attorney General: Second.

Governor: Attorney General has seconded the motion. Hearing no questions, all in favor say aye. [ayes around] Motion passes 3-0.

12. **CONTRACTS APPROVED BY THE CLERK ([Attached as Exhibit 4](#)) – INFORMATION ITEM**

Pursuant to NRS 333.700 subsection 7 (a), the Clerk may approve all contract transactions for amounts less than \$50,000. Per direction from the August 13, 2013 meeting of the Board of Examiners, the Board wished to receive an informational item listing all approvals applicable to the new threshold (\$10,000 – \$49,999). Attached is a list of all applicable approvals for contracts and amendments approved from November 16, 2015 through December 18, 2015.

Thirty-one contracts were submitted for the boards review

13. **INFORMATION ITEMS**

A. Department of Conservation and Natural Resources – Division of State Lands

Pursuant to NRS 321.5954, the Division of State Lands is required to provide the Board of Examiners quarterly reports regarding lands or interests in lands transferred, sold, exchanged, or leased under the Tahoe Basin Act program. Also, pursuant to Chapter 355, Statutes of Nevada, 1993, at page 1153, the agency is to report quarterly on the status of real property or interests in real property transferred under the Lake Tahoe Mitigation Program. This submittal reports on program activities for the fiscal quarter ending September 30, 2015.

Additional Information:

- **1989 Tahoe Basin Act**
 - There were no transfers of lands or interest in lands during the quarter.
- **Lake Tahoe Mitigation Program**
 - The agency reports that there were no acquisitions of land or interest during the quarter. However, one transfer of interest in real property occurred during this quarter. The transaction resulted in a total of \$59,805 in proceeds for the Nevada Land Bank.

B. Department of Conservation and Natural Resources – Division of State Lands

Pursuant to NRS 321.5954, the Division of State Lands is required to provide the Board of Examiners quarterly reports regarding lands or interests in lands transferred, sold, exchanged, or leased under the Tahoe Basin Act program. Also, pursuant to Chapter 355, Statutes of Nevada, 1993, at page 1153, the agency is to report quarterly on the status of real property or interests in real property transferred under the Lake Tahoe Mitigation Program. This submittal reports on program activities for the fiscal quarter ending December 31, 2015.

Additional Information:

- **1989 Tahoe Basin Act**

- There were no transfers of lands or interest in lands during the quarter.
- **Lake Tahoe Mitigation Program**
 - The agency reports that there were no acquisitions of land or interest during the quarter.

C. Governor’s Finance Office – Budget Division

The Division presents a reconciled fund balance report for the Statutory Contingency Account, Stale Claims Account, Emergency Account, Disaster Relief Account, and IFC Contingency Funds as of December 18, 2015. Below is the available balance for each account.

Additional Information:

Statutory Contingency Account	\$ 2,499,036.25
Stale Claims Account	\$ 2,906,845.43
Emergency Account	\$ 279,841.00
Disaster Relief Account	\$ 6,727,748.24
IFC Contingency Fund General Fund	\$13,789,292.51
IFC Contingency Highway Fund	\$ 1,676,832.35

Comments:

Governor: Let’s move to Agenda item number 12, information item. Why don’t we take 12 and 13. Mr. Wells.

Clerk: Thank you Governor. There were 31 contracts under the \$50,000 threshold that were approved by the Clerk between November 16, 2015 and December 18, 2015. This item is informational only and there were no requests for additional information from any of the Members.

Agenda Item 13 includes three reports. The first two reports are required pursuant to NRS 321.5954. They are for the quarters ended September 30th and December 31, 2015, regarding lands or interest in lands, transferred, sold, exchanged or leased under the Tahoe Basin Act Program, as well as a quarterly report on the status of real property or interest in real property transferred under the Lake Tahoe Mitigation Program. There was only the one transfer under the Lake Tahoe Mitigation Program during the September 30th quarter, resulting in proceeds of \$59,805 for the Nevada Land Bank.

The last item is simply a report of the balances in the various contingency funds that are managed by either the Board of Examiners or the Interim Finance Committee as of December 18, 2015.

Governor: Just a question on the last one, these are numbers, but are we in good shape Mr. Wells?

Clerk: Governor, yes, I believe at the time being, we’re in pretty good shape with the contingency accounts.

Governor: Any other questions from Board Members with regard to Agenda Items 12 and 13?

Attorney General: No Governor, thank you.

14. BOARD MEMBERS' COMMENTS/PUBLIC COMMENTS

Comments:

Governor: We'll move to 14 which is Public Comment. Any public comment from Carson City? Any public comment from Las Vegas? Oh, we do have public comment.

Fred Voltz: Yes sir.

Governor: Okay.

Fred Voltz: Good afternoon, for the record, Fred Voltz. I was before you at your October meeting regarding uncollected administrative fines at the Public Utilities Commission. What I've just distributed to the Board Members is an updated report from the end of the year, December 31st. Essentially, you know the Executive Director and the Chairman at the PUC have been on board for over a quarter of the actual uncollected balances have increased and now to almost \$309,000 for the one agency. That represents 120 uncollected fines, some of them are almost eight years old and have had no visible progress toward either collection or proposed write-off by the Board of Examiners.

PUC Commissioner David Noble proposed permanently removing the subject from the Administrative Agendas in the summer of 2015, as an unnecessary item. His suggestion had no comment from anyone else at the PUC. And, is another barometer of how seriously the PUC has been taking its collection responsibilities, the PUC Legislative Auditor Report, which is at the very back of the package I handed out, dated September 2010, indicates that there's been a historic failure to actively pursue the collection of fines at the PUC, before they're forwarded on to the State Controller, even with a much smaller level of fines assessed. When one takes the largest utilities' fines out of this report, and that would be for companies such as Southwest Gas and NV Energy because they typically pay quickly, the delinquency rate reaches 47% plus for the remaining outstanding fines. If a private business was to have this level of receivables, it would be fatal to their continuance.

With the General Fund receiving whatever is collected on these fines, the PUC has little financial incentive to make a good faith collection effort. The outstanding receivables are supposed to be passed on to the State Controller after two months, as you know, of diligent effort by the PUC. As you can see in the distributed exhibit, the PUC has waited up to 24 months before passing off delinquent accounts to the Controller.

NRS 703.380, Section 5, states the PUC may bring in an action in its own name for collection of any administrative fine to a state court and recover all reasonable costs of doing so. Not one of the 120 delinquent fines has been addressed in this way. A well enacted debt collections, is the longer a debt doesn't get paid, the harder it is to collect.

In fact, the PUC was offered free help by another interested member of the public who is an experienced paralegal, collections and creditor rights professional. She offered to provide templates for demand letters and small claim court filings. Attorneys are not necessary for this largely clerical work, but one of the PUC's 17 attorneys spurned the offer claiming, "no one at the PUC had time for such work".

By its inaction, the PUC believes it has no responsibility to make diligent efforts towards collecting fines it has assessed, even though it maintains fiscal reserves in the \$300M range for its \$11M annual budget. Therefore, the PUC can't legitimately claim it lacks financial resources to engage in its own debt collection efforts, per NRS 353C.195, Section 5A and that's an exemption.

In the PUC's case, performance bonds should be required for smaller applicants, such as telecom companies with \$10M a year or less in revenue to cover their fines, if the business fails. In addition, company managers or executives could be required to provide a personal guarantee for any future funds.

The Secretary of State needs timely notice from State Agencies as to outstanding fines so that no state business license or registration is issued or renewed for principles, corporate officers and managers or entities, unless the fines are brought immediately current. It would work much the same way as the DMV refusing to license vehicles unless current insurance coverage is provided.

Taking little productive action at the Agency level misses the most timely and potentially effective window for collection. I was interested to hear what the Controller is doing with the CGI Contract, but it really seems as though the Agencies need to take more proactive action before they pass this on to the State Controller and have really no responsibility subsequently.

That's what I'd like to encourage. It may require a statutory change. It may require a personnel change at the Agency, it's hard to say. After hearing \$100 Million of receivables, that's a big number in the aggregate. I wanted to drill down to one agency that I'm familiar with to let you know what's happening there and that there needs to be some change. Unfortunately, that hasn't happened in the last three months for the better.

Governor: Thank you very much sir.

Fred Voltz: If I may, I'd also like to comment on your Agenda Item 7A, with two ideas for how to deal with the recruiting problem that the Public Safety Director was talking about. One, in private industry, there's usually a minimum job time that somebody needs to hold the position before they can transfer. I don't know if state personnel policy, or the local jurisdictions have something like that. Perhaps something along those lines, as you continue the conversation would be useful for keeping people in positions after you've paid money as an employer to train them.

Secondly, the same would apply perhaps in the pay scales across the various jurisdictions so that there isn't the attractiveness of going from one agency to another to get a higher salary if it's a comparable job. Thank you.

Governor: Thank you very much. Is there any other public comment? [there was none]

***15. FOR POSSIBLE ACTION – ADJOURNMENT**

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State **Seconded By:** Attorney General **Vote:** 3-0

Comments:

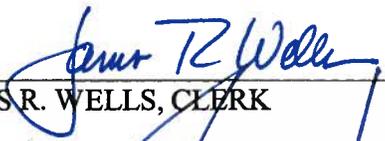
Governor: We'll move to Agenda item number 15 which is Adjournment. Is there a motion to adjourn?

Secretary of State: So moved for adjournment.

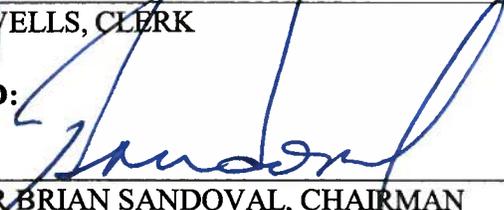
Attorney General: Second.

Governor: We have a motion by the Secretary of State. A second by the Attorney General. All in favor, say aye. [ayes around] This meeting is adjourned, thank you ladies and gentlemen for your patience.

Respectfully submitted,



JAMES R. WELLS, CLERK

APPROVED: 

GOVERNOR BRIAN SANDOVAL, CHAIRMAN



ATTORNEY GENERAL ADAM PAUL LAXALT



SECRETARY OF STATE BARBARA K. CEGAVSKE